

**ANNUAL FINANCIAL REPORT**  
**MAURY COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2006**

**Comptroller of the Treasury  
Department of Audit  
Division of County Audit  
Nashville, Tennessee**

**ANNUAL FINANCIAL REPORT**  
**MAURY COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2006**

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***Comptroller of the Treasury***

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# ***Audit Highlights***

Annual Financial Report  
Maury County, Tennessee  
For the Year Ended June 30, 2006

## ***Scope***

We have audited the basic financial statements of Maury County as of and for the year ended June 30, 2006.

## ***Results***

Our report on the aggregate discretely presented component units is qualified because the financial statements did not include one component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in nine findings and recommendations, which we have reviewed with Maury County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

- ◆ The Transfer Station's computerized accounting system had internal control weaknesses.
- ◆ In several instances, invoices were paid without documentation that goods had been received or services had been rendered.
- ◆ Contributions to the Maury County Rural Fire Department were not made in compliance with state statute or charged to the appropriate expenditure account.
- ◆ Competitive bids were not solicited for the purchase of four truck beds for the Highway Department.

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### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ In several instances, invoices were paid without documentation that goods had been received or services had been rendered.
-

## **OFFICE OF ROAD SUPERINTENDENT**

- ◆ The county road list was not submitted to the County Commission for approval.
- 

## **OFFICE OF TRUSTEE**

- ◆ The trustee paid checks that exceeded available funds.
- 

## **OFFICE OF SHERIFF**

- ◆ The sheriff did not prepare an annual financial report.
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## **OTHER FINDING**

- ◆ Duties were not segregated adequately among the employees at the Transfer Station, Archives, and Memorial Building Offices.

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# INTRODUCTORY SECTION

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Maury County Officials  
June 30, 2006

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**Officials**

Jim Bailey, County Mayor  
Van Boshers, Road Superintendent  
Edward Hickman, Director of Schools  
Steve Konz, Trustee  
Jim Dooley, Assessor of Property  
Nancy Thompson, County Clerk  
Kathy Kelly, Circuit and General Sessions Courts Clerk  
Cheryl Church, Clerk and Master  
John Fleming, Register  
Enoch George, Sheriff  
Christy Mash, Director of Accounts and Budgets  
Debbie Rutherford, Director of Human Resources

**Board of County Commissioners**

Tom Primm, Chairman  
Sarah Anderson  
Joe Scott  
Vernon Brooks  
Walter Harlan  
Eugene Richardson  
June Beckum  
Bob Duncan  
Wayne Hickman  
Andy Jackson  
Gerald Adkison

Joe Roberson  
Joe Duncan  
Linda Whiteside  
Glenda Bolton  
Dwight Vandiver  
Bobby Harris  
Joe Reischman  
John Davis  
Jerry Erwin  
Cindy Williams  
Lucy Ledbetter

**Board of Education**

Lonnie Daniels, Chairman  
William Muehlbauer  
Chet Rhodes  
Talvin Barner  
Hoyt Gardner  
Whitney Seaton

Greg Ladd  
Ricky Sims  
Judy Vick  
Richard Thompson  
Vince Springer

**Budget Committee**

Jim Bailey, Ex-Officio  
Christy Mash, Ex-Officio  
Bobby Harris  
Andy Jackson

Bob Duncan  
John Davis, Jr.  
Joe Reischman  
Tom Primm

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## FINANCIAL SECTION

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**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

**INDEPENDENT AUDITOR'S REPORT**

March 6, 2007

Maury County Mayor and  
Board of County Commissioners  
Maury County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Maury County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Maury County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Maury Regional Hospital's financial statements, which represent 96 percent and 99 percent, respectively, of the assets and revenues of the business-type activities. The hospital is a major proprietary fund. Also, we did not audit the discretely presented Maury County Board of Public Utilities Water System's financial statements, which represent 15 percent and three percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the Maury Regional Hospital and the discretely presented Maury County Board of Public Utilities Water System, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

The financial statements of the Maury County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the Maury County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Maury County Emergency Communications District as discussed in the preceding paragraph, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units of Maury County, Tennessee, as of June 30, 2006, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

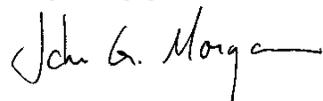
Also, in our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 6, 2007, on our consideration of Maury County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 13 through 23 and the budgetary comparison information on pages 95 through 98 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Maury County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Maury County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan". The signature is written in a cursive style with a long horizontal stroke at the end.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

## Management's Discussion and Analysis

As management for Maury County, Tennessee, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2006. This discussion and analysis focuses on the primary government only and does not include discussion of discretely presented component units. The activity of Maury Regional Hospital, an enterprise fund of the primary government, is reflected in business-type activities throughout the following discussion and analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- Assets of the county exceeded liabilities at the close of the most recent fiscal year by \$180,624 (net assets). Of this amount, \$37,444 may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$1,000.
- As of the close of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$23,851, an increase of \$3,816 in comparison with the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$5,830, or 34 percent of total General Fund expenditures.
- The county's total debt increased by \$25,299 (36 percent) during the current fiscal year. The key factor in this increase was the issuance of \$34,994 of new debt, offset by the payment of \$9,696 for debt.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements are composed of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the county's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The statement of activities presents information illustrating the changes in the government's net assets during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of

related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the county include general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; education; and debt service on long-term debt. The business-type activities of the county include a regional hospital and a solid waste disposal facility. The government-wide financial statements can be found on Exhibits A and B of this report.

The government-wide financial statements include not only the county (known as the primary government), but also a legally separate school department, a legally separate water system, and a legally separate emergency communications district for which the county is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the county can be divided into three categories: governmental, proprietary, and fiduciary.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The county maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the General Debt Service Fund, and the Education Capital Projects Fund all of which are considered to be major funds. Data from the other six governmental funds are combined into a single,

aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The county adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Exhibits C-1 and C-3 of this report.

**Proprietary funds.** The county maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The county uses enterprise funds to account for its solid waste department and its regional hospital. Internal service funds are an accounting device used to accumulate and allocate costs internally among the county's various functions. The county uses an internal service fund to account for its central maintenance garage and its employee prescription drug program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste department and the regional hospital. The internal service funds are presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found in Exhibits D-1, D-2, and D-3 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in Exhibit E of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the county's major special revenue fund's budgetary statement (General Fund). Required supplementary information can be found after the basic financial statements section of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules are Exhibits G-1 through L-14 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceeded liabilities by \$180,624 at the close of the most recent fiscal year. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Maury County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the county. As of June 30, 2006, the county had outstanding debt totaling \$43,474 for capital purposes for the Maury County Board of Education, but the capital assets are reported in the financial statements of the Maury County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net assets.

By far the largest portion of the county's net assets (69 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### MAURY COUNTY'S Net Assets

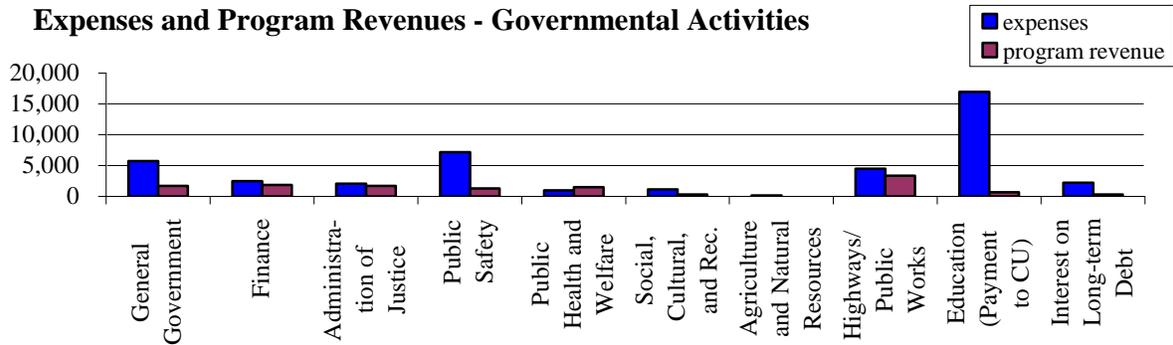
	Governmental Activities		Business-type Activities		Total	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
Current and Other Assets	\$ 39,435	\$ 34,712	\$ 93,247	\$ 85,573	\$ 132,682	\$ 120,285
Capital Assets	49,042	46,523	129,286	125,480	178,328	172,003
Total Assets	\$ 88,477	\$ 81,235	\$ 222,533	\$ 211,053	\$ 311,010	\$ 292,288
Long-term Liabilities	\$ 53,569	\$ 42,112	\$ 45,515	\$ 31,688	\$ 99,084	\$ 73,800
Other Liabilities	14,429	13,561	16,873	18,342	31,302	31,903
Total Liabilities	\$ 67,998	\$ 55,673	\$ 62,388	\$ 50,030	\$ 130,386	\$ 105,703
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	\$ 40,437	\$ 36,814	\$ 84,770	\$ 94,447	\$ 125,207	\$ 131,261
Restricted	17,974	15,479	0	0	17,974	15,479
Unrestricted	(37,933)	(26,732)	75,376	66,576	37,444	39,844
Total Net Assets	\$ 20,478	\$ 25,561	\$ 160,146	\$ 161,023	\$ 180,625	\$ 186,584

An additional portion of the county's net assets (ten percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$37,444) may be used to meet the government's ongoing obligations to citizens and creditors.

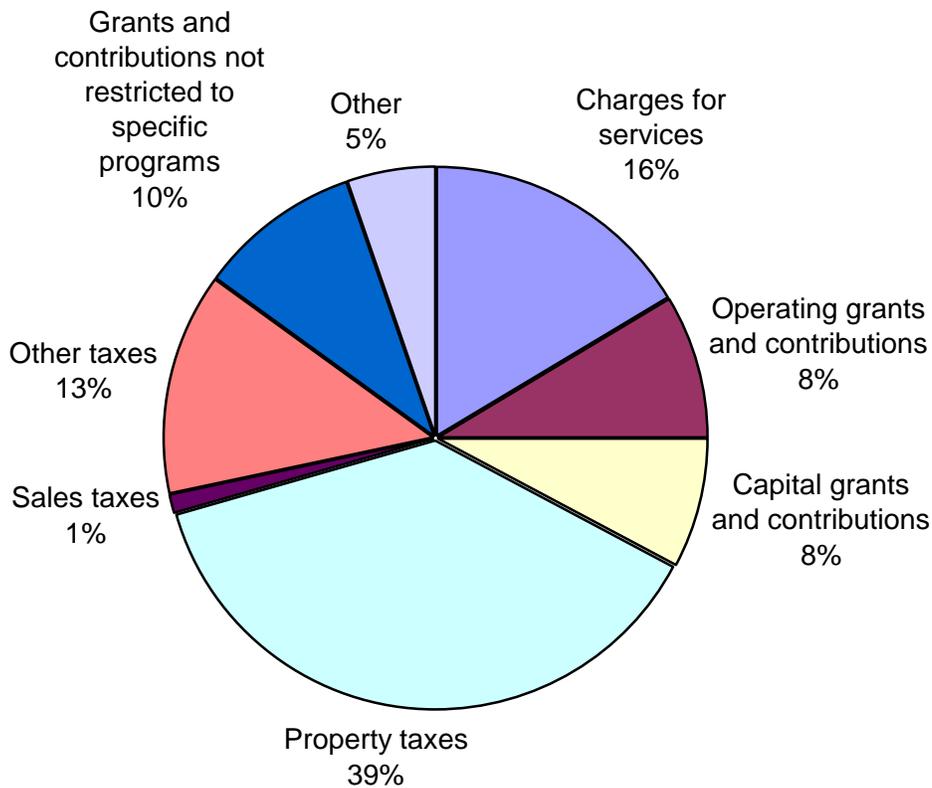
### MAURY COUNTY'S Changes in Net Assets

	Governmental		Business-type		Total	
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
Revenues:						
Program Revenues:						
Charges for Services	\$ 6,330	\$ 5,972	\$ 230,216	\$ 229,427	\$ 236,546	\$ 235,399
Operating Grants and Contributions	3,249	3,396	0	0	3,249	3,396
Capital Grants and Contributions	3,080	1,113	0	0	3,080	1,113
General Revenues:						
Property Taxes	14,510	13,360	150	2,081	14,660	15,441
Other Taxes	5,501	4,355	0	0	5,501	4,355
Grants and Contributions not						
Restricted to Specific Programs	3,723	3,699	271	260	3,994	3,959
Other	2,072	1,167	483	307	2,555	1,474
<b>Total Revenues</b>	<b>\$ 38,465</b>	<b>\$ 33,062</b>	<b>\$ 231,120</b>	<b>\$ 232,075</b>	<b>\$ 269,585</b>	<b>\$ 265,137</b>
Expenses:						
General Government	\$ 5,698	5,577	\$ 0	\$ 0	\$ 5,698	\$ 5,577
Finance	2,485	2,339	0	0	2,485	2,339
Administration of Justice	2,057	1,887	0	0	2,057	1,887
Public Safety	7,185	6,930	0	0	7,185	6,930
Public Health and Welfare	1,003	565	0	0	1,003	565
Social, Cultural, and Recreational						
Services	1,135	1,178	0	0	1,135	1,178
Agriculture & Natural Resources	143	137	0	0	143	137
Highway/Public Works	4,474	4,396	0	0	4,474	4,396
Education(Payment to CU)	16,957	13,991	0	0	16,957	13,991
Interest on Long-term Debt	2,219	1,750	0	0	2,219	1,750
Other Debt Service	192	168	0	0	192	168
Maury Regional Hospital	0	0	224,511	221,635	224,511	221,635
Solid Waste Disposal	0	0	2,526	2,153	2,526	2,153
<b>Total Expenses</b>	<b>\$ 43,548</b>	<b>\$ 38,918</b>	<b>\$ 227,037</b>	<b>\$ 223,788</b>	<b>\$ 270,585</b>	<b>\$ 262,706</b>
Increase in Net Assets	\$ (5,083)	(5,856)	\$ 4,083	8,287	\$ (1,000)	\$ 2,431
Prior Period Adjustment	0	0	(4,961)	(4,322)	(4,961)	(4,322)
Net Assets - July 1, 2005	25,561	31,417	161,023	157,058	186,584	188,475
<b>Net Assets - June 30, 2006</b>	<b>\$ 20,478</b>	<b>\$ 25,561</b>	<b>\$ 160,145</b>	<b>\$ 161,023</b>	<b>\$ 180,623</b>	<b>\$ 186,584</b>

**Governmental activities.** Governmental activities decreased the county’s net assets by \$5,083, thereby accounting for none of the total growth in the net assets of the county. Key elements of the decrease were as follows:

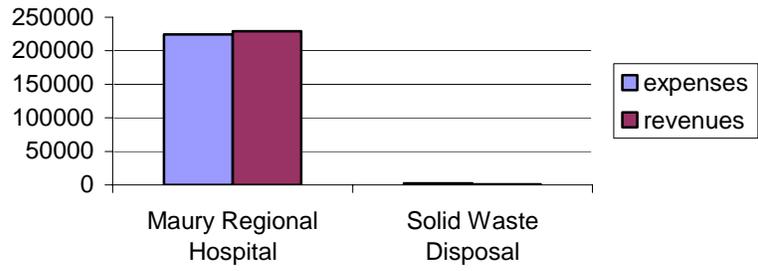


**Revenues by Source - Governmental Activities**

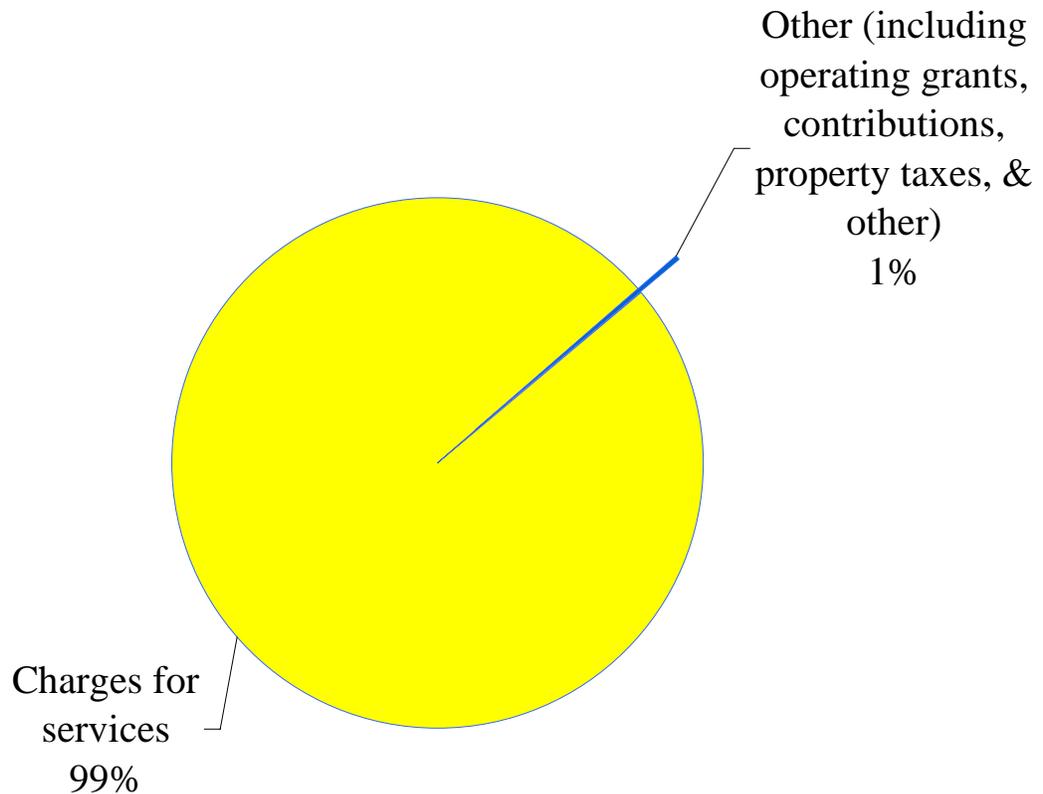


**Business-type activities.** Business-type activities increased the county’s net assets by \$4,083, accounting for 100 percent of the total growth in the government’s net assets.

### Expenses and Program Revenues – Business-type Activities



### Revenue by Source – Business-type Activities



### **Financial Analysis of the Government's Funds**

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the county's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the county's governmental funds reported combined ending fund balances of \$23,851, an increase of \$3,816 in comparison with the prior year.

Most of this amount (\$17,094) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not readily available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the prior period (\$4,105), and (2) for a variety of other restricted purposes (\$2,652).

The General Fund is the chief operating fund of the county. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$5,830 while total fund balance was \$6,420. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 34 percent of total General Fund expenditures, while total fund balance represents 37 percent of that same amount.

The fund balance of the county's General Fund increased by \$1,304 during the current fiscal year.

The General Debt Service Fund has a total fund balance of \$9,098, all of which is reserved for the payment of debt service.

**Proprietary funds.** The county's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Solid Waste Disposal Fund at the end of the year totaled \$1,846. The decrease in net assets for 2005-06 was \$1,092. Other factors concerning the finances of this fund have already been addressed in the discussion of the county's business-type activities.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor. The net effect of the amendments (a \$333 increase in appropriations) was primarily a result of the receipt of federal and state grant awards and is summarized as follows:

General Administration	\$	26
Finance		(9)
Administration of Justice		(4)
Public Safety		200
Public Health and Welfare		81
Social, Cultural, and Recreational Services		23
Other Operations		16
Total	\$	<u>333</u>

For the fiscal year, revenues exceeded budgetary estimates, and expenditures were less than budgetary estimates. As a result, the anticipated and budgeted draw upon existing fund balance was minimal.

### **Capital Assets and Debt Administration**

**Capital assets.** The county's investment in capital assets for its governmental and business-type activities as of June 30, 2006, totaled \$178,329 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

**County's Capital Assets**

As of June 30, 2006

(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
Land	\$ 7,181	\$ 7,108	\$ 6,413	\$ 6,109	\$ 13,594	\$ 13,217
Buildings and Improvements	18,997	18,197	91,840	90,908	110,837	109,105
Other Capital Assets	2,803	2,076	28,534	23,691	31,337	25,767
Infrastructure	19,300	17,775	0	0	19,300	17,775
Construction in Progress	761	1,367	2,500	4,772	3,261	6,139
Total	<u>\$ 49,042</u>	<u>\$ 46,523</u>	<u>\$ 129,287</u>	<u>\$ 125,480</u>	<u>\$ 178,329</u>	<u>\$ 172,003</u>

**Long-term debt.** At the end of the current fiscal year, the county had total bonded debt outstanding of \$89,515, notes payable of \$4,383, and other loans payable of \$2,640. All debt is backed by the full faith and credit of the county. Of the amount outstanding for governmental activities, \$43,559 reflects the balance of borrowings for education capital projects for the Maury County Board of Education. Of the amount outstanding for business-type activities, \$44,873 reflects the balance of borrowings for capital projects of the regional hospital.

**County's Outstanding Debt**  
As of June 30, 2006

	Governmental		Business-type		Total	
	Activities		Activities			
	2005-06	2004-05	2005-06	2004-05	2005-06	2004-05
General Obligation Bonds	\$ 48,814	\$ 38,540	\$ 40,701	\$ 28,655	\$ 89,515	\$ 67,195
Notes Payable	2,620	1,666	1,763	956	4,383	2,622
Other Debt Payable	231	0	2,409	1,422	2,640	1,422
<b>Total</b>	<b>\$ 51,665</b>	<b>\$ 40,206</b>	<b>\$ 44,873</b>	<b>\$ 31,033</b>	<b>\$ 96,538</b>	<b>\$ 71,239</b>

For the fiscal year ended, the county's total debt increased by \$25,299 (36 percent). Debt service payments of \$9,696 were made while the county issued new debt for equipment and public works projects as follows:

- The county issued bonds totaling \$14,000 for the construction of a new elementary school in Spring Hill and continued upgrades to the schools and new buses.
- The county issued capital outlay notes for \$2,000 for school capital projects.

The county maintains an A1 bond rating from Moody's for general obligation debt. Additional information on the county's long-term debt can be found in Exhibits L-1 and L-2 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the county is currently 6.4 percent, which is an increase from a rate of six percent a year ago. This compares unfavorably to the state's average unemployment rate of 5.7 percent and the national average rate of 5.1 percent.
- The county experienced limited commercial and industrial growth during the year.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the county's budget for the 2007 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund increased to \$5,830. It has yet to be determined if the 2007 budget will require the county to raise taxes or charges for this fund during the 2007 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the county's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Accounts & Budgets at One Public Square, Columbia, Tennessee 38401 or [www.budgetoffice@maurycounty-tn.gov](mailto:www.budgetoffice@maurycounty-tn.gov).

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Maury County, Tennessee  
Statement of Net Assets  
June 30, 2006

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System
<b><u>ASSETS</u></b>					
Cash	\$ 182,330	\$ 29,079,103	\$ 29,261,433	\$ 6,934	\$ 3,938,434
Equity in Pooled Cash and Investments	22,830,135	2,239,173	25,069,308	8,905,867	0
Accounts Receivable	345,995	76,995,040	77,341,035	48,941	186,248
Allowance for Uncollectibles	0	(22,598,510)	(22,598,510)	0	0
Property Taxes Receivable	14,612,648	1,511,492	16,124,140	18,179,849	0
Allowance for Uncollectible Property Taxes	(386,906)	(40,436)	(427,342)	(481,317)	0
Accrued Interest Receivable	0	0	0	0	64,344
Due from Other Governments	1,055,470	20,949	1,076,419	3,022,039	0
Internal Balances	14,992	(14,992)	0	0	0
Due from Component Units	154,480	0	154,480	0	0
Prepaid Items	141,548	2,085,509	2,227,057	0	117
Notes Receivable - Long-term	8,968	0	8,968	0	0
Deferred Charges - Debt Issuance Costs	475,210	0	475,210	0	0
Inventories	0	2,286,735	2,286,735	0	0
Other	0	1,682,998	1,682,998	0	0
Restricted Assets:					
Customer Deposits	0	0	0	0	48,197
Capital Assets:					
Assets Not Depreciated:					
Land	7,180,779	6,412,507	13,593,286	2,432,200	131,500
Construction in Progress	760,592	2,499,600	3,260,192	25,937,111	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	18,997,268	92,918,044	111,915,312	58,321,664	100,537
Other Capital Assets	2,803,031	27,456,046	30,259,077	2,128,183	16,119,988
Infrastructure	19,300,076	0	19,300,076	0	0
Total Assets	\$ 88,476,616	\$ 222,533,258	\$ 311,009,874	\$ 118,501,471	\$ 20,589,365
<b><u>LIABILITIES</u></b>					
Accounts Payable	\$ 0	\$ 8,633,643	\$ 8,633,643	\$ 0	\$ 0
Accrued Payroll	167,552	2,396,637	2,564,189	0	5,780
Payroll Deductions Payable	0	6,476	6,476	0	0
Contracts Payable	185,940	0	185,940	2,027,252	0
Compensated Absences Payable	0	3,435,111	3,435,111	0	0
Retainage Payable	21,453	0	21,453	180,818	0
Other Deferred Revenue	0	59,839	59,839	0	0
Accrued Interest Payable	547,496	238,249	785,745	0	0
Due to Primary Government	0	0	0	154,480	0
Other Accrued Liabilities	0	0	0	0	19,574
Customer Deposits Payable	0	0	0	0	48,197
Due to State of Tennessee	0	913	913	0	0
Due to Joint Ventures	0	706,826	706,826	0	0
Deferred Revenue - Current Property Taxes	13,506,727	1,395,061	14,901,788	16,804,145	0
Noncurrent Liabilities:					
Due Within One Year	5,353,001	5,309,687	10,662,688	289,411	13,445
Due in More Than One Year (Net of Deferred Amount on Refunding)	48,216,149	40,204,943	88,421,092	3,291,992	0
Total Liabilities	\$ 67,998,318	\$ 62,387,385	\$ 130,385,703	\$ 22,748,098	\$ 86,996

(Continued)

Exhibit A

Maury County, Tennessee  
Statement of Net Assets (Cont.)

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Maury County School Department	Board of Public Utilities Water System
<u>NET ASSETS</u>					
Invested in Capital Assets, Net of Related Debt	\$ 40,437,057	\$ 83,203,497	\$ 123,640,554	\$ 0	\$ 0
Invested in Capital Assets	0	1,566,202	1,566,202	88,819,158	16,352,025
Restricted for:					
Capital Projects	5,218,316	0	5,218,316	3,693,977	0
Debt Service	9,122,179	0	9,122,179	0	0
Special Purpose	802,292	0	802,292	0	0
Highway	2,284,374	0	2,284,374	0	0
Central Cafeteria	0	0	0	1,457,748	0
Other Purposes	546,614	0	546,614	508,118	0
Unrestricted	(37,932,534)	75,376,174	37,443,640	1,274,372	4,150,344
Total Net Assets	<u>\$ 20,478,298</u>	<u>\$ 160,145,873</u>	<u>\$ 180,624,171</u>	<u>\$ 95,753,373</u>	<u>\$ 20,502,369</u>

The notes to the financial statements are an integral part of this statement.

Exhibit B

Maury County, Tennessee  
 Statement of Activities  
 For the Year Ended June 30, 2006

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Maury County School Department	Board of Public Utilities Water System
					Governmental Activities	Business-type Activities			
Primary Government:									
Governmental Activities:									
General Government	\$ 5,698,029	\$ 1,281,482	\$ 21,048	\$ 381,754	\$ (4,013,745)	\$ 0	\$ (4,013,745)	\$ 0	\$ 0
Finance	2,485,256	1,818,087	22,629	0	(644,540)	0	(644,540)	0	0
Administration of Justice	2,056,775	1,675,657	36,953	0	(344,165)	0	(344,165)	0	0
Public Safety	7,185,119	821,155	42,095	428,517	(5,893,352)	0	(5,893,352)	0	0
Public Health and Welfare	1,003,392	12	505,361	969,083	471,064	0	471,064	0	0
Social, Cultural, and Recreational Services	1,135,279	40,530	0	258,065	(836,684)	0	(836,684)	0	0
Agricultural and Natural Resources	143,432	0	0	0	(143,432)	0	(143,432)	0	0
Highway/Public Works	4,473,718	661	2,287,476	1,042,328	(1,143,253)	0	(1,143,253)	0	0
Education	16,956,687	692,077	0	0	(16,264,610)	0	(16,264,610)	0	0
Interest on Long-term Debt	2,219,070	0	333,383	0	(1,885,687)	0	(1,885,687)	0	0
Other Debt Service	191,592	0	0	0	(191,592)	0	(191,592)	0	0
Total Governmental Activities	\$ 43,548,349	\$ 6,329,661	\$ 3,248,945	\$ 3,079,747	\$ (30,889,996)	\$ 0	\$ (30,889,996)	\$ 0	\$ 0
Business-type Activities:									
Maury Regional Hospital	\$ 224,511,041	\$ 229,047,028	\$ 0	\$ 0	\$ 0	\$ 4,535,987	\$ 4,535,987	\$ 0	\$ 0
Solid Waste Disposal	2,525,849	1,169,296	0	0	0	(1,356,553)	(1,356,553)	0	0
Total Business-type Activities	\$ 227,036,890	\$ 230,216,324	\$ 0	\$ 0	\$ 0	\$ 3,179,434	\$ 3,179,434	\$ 0	\$ 0
Total Primary Government	\$ 270,585,239	\$ 236,545,985	\$ 3,248,945	\$ 3,079,747	\$ (30,889,996)	\$ 3,179,434	\$ (27,710,562)	\$ 0	\$ 0
Component Units:									
Maury County School Department	\$ 80,844,739	\$ 2,941,642	\$ 8,846,477	\$ 16,389,788	\$ 0	\$ 0	\$ 0	\$ (52,666,832)	\$ 0
Board of Public Utilities Water System	2,182,084	3,207,873	0	0	0	0	0	0	1,025,789
Total Component Units	\$ 83,026,823	\$ 6,149,515	\$ 8,846,477	\$ 16,389,788	\$ 0	\$ 0	\$ 0	\$ (52,666,832)	\$ 1,025,789

(Continued)

Exhibit B

Maury County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Maury County School Department	Board of Public Utilities Water System
					Governmental Activities	Business-type Activities	Total		
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 10,377,286	\$ 150,010	\$ 10,527,296	\$ 18,065,024	\$ 0
Property Taxes Levied for Debt Service					4,132,621	0	4,132,621	0	0
Local Option Sales Tax					418,570	0	418,570	9,416,622	0
Other Local Taxes					5,082,874	0	5,082,874	13,317	0
Grants and Contributions not Restricted for Specific Programs					3,723,402	270,649	3,994,051	40,290,370	0
Unrestricted Investment Earnings					1,587,703	279,566	1,867,269	39,077	160,366
Miscellaneous					484,394	203,681	688,075	153,946	0
Total General Revenues					\$ 25,806,850	\$ 903,906	\$ 26,710,756	\$ 67,978,356	\$ 160,366
Change in Net assets					\$ (5,083,146)	\$ 4,083,340	\$ (999,806)	\$ 15,311,524	\$ 1,186,155
Prior Period Adjustment					0	(4,960,792)	(4,960,792)	0	0
Net Assets, July 1, 2005					25,561,444	161,023,325	186,584,769	80,441,849	19,316,214
Net Assets, June 30, 2006					\$ 20,478,298	\$ 160,145,873	\$ 180,624,171	\$ 95,753,373	\$ 20,502,369

The notes to the financial statements are an integral part of this statement.

Exhibit C-1

Maury County, Tennessee  
 Balance Sheet  
 Governmental Funds  
 June 30, 2006

	Major Funds		Nonmajor	Total
	General	General Debt Service	Other Governmental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 182,330	\$ 182,330
Equity in Pooled Cash and Investments	5,894,253	8,917,038	7,944,880	22,756,171
Accounts Receivable	150,110	164,207	2,351	316,668
Due from Other Governments	574,420	0	481,050	1,055,470
Due from Other Funds	17,943	0	277,736	295,679
Due from Component Units	0	0	154,480	154,480
Property Taxes Receivable	8,574,135	4,118,861	1,919,652	14,612,648
Allowance for Uncollectible Property Taxes	(226,764)	(109,552)	(50,590)	(386,906)
Prepaid Items	116,150	0	21,909	138,059
Notes Receivable - Current	0	0	3,600	3,600
Notes Receivable - Long-term	0	0	5,368	5,368
<b>Total Assets</b>	<b>\$ 15,100,247</b>	<b>\$ 13,090,554</b>	<b>\$ 10,942,766</b>	<b>\$ 39,133,567</b>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Payroll Deductions Payable	\$ 136,076	\$ 0	\$ 24,017	\$ 160,093
Contracts Payable	0	0	185,940	185,940
Retainage Payable	0	0	21,453	21,453
Due to Other Funds	0	0	280,687	280,687
Due to State of Tennessee	2,624	0	349	2,973
Deferred Revenue - Current Property Taxes	7,926,483	3,804,712	1,775,532	13,506,727
Deferred Revenue - Delinquent Property Taxes	386,930	188,089	85,984	661,003
Other Deferred Revenues	228,224	0	235,052	463,276
<b>Total Liabilities</b>	<b>\$ 8,680,337</b>	<b>\$ 3,992,801</b>	<b>\$ 2,609,014</b>	<b>\$ 15,282,152</b>
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 330,119	\$ 0	\$ 3,774,913	\$ 4,105,032
Reserved for Litter Enforcement Awards	2,815	0	0	2,815
Reserved for Drug Court	46,754	0	0	46,754
Reserved for Sexual Offender Registration	1,072	0	0	1,072
Reserved for Courthouse and Jail Maintenance	0	2,386,721	0	2,386,721
Reserved for Computer System - Register	60,874	0	0	60,874
Reserved for Automation Purposes - Circuit Court	6,383	0	0	6,383
Reserved for Automation Purposes - General Sessions Court	117,451	0	0	117,451
Reserved for Automation Purposes - Chancery Court	6,486	0	0	6,486
Reserved for Automation Purposes - Sheriff	18,218	0	0	18,218
Reserved for Long-term Notes Receivable	0	0	5,368	5,368
Unreserved, Reported In:				
General Fund	5,829,738	0	0	5,829,738
Special Revenue Funds	0	0	4,325,916	4,325,916
Debt Service Funds	0	6,711,032	0	6,711,032
Capital Projects Funds	0	0	227,555	227,555
<b>Total Fund Balances</b>	<b>\$ 6,419,910</b>	<b>\$ 9,097,753</b>	<b>\$ 8,333,752</b>	<b>\$ 23,851,415</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,100,247</b>	<b>\$ 13,090,554</b>	<b>\$ 10,942,766</b>	<b>\$ 39,133,567</b>

The notes to the financial statements are an integral part of this statement.

Exhibit C-2

Maury County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2006

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 23,851,415
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,180,779	
Add: construction in progress	760,592	
Add: infrastructure net of accumulated depreciation	19,300,076	
Add: buildings and improvements net of accumulated depreciation	18,997,268	
Add: other capital assets net of accumulated depreciation	2,803,031	
Less: capital assets of internal service funds that are also included in item 2 below	<u>(92,071)</u>	48,949,675
(2) Internal service funds are used by management to charge the costs of a central maintenance garage and a prescription drug plan to applicable profit due business-type funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		194,365
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (2,620,015)	
Less: capital leases payable	(230,632)	
Less: bonds payable	(48,813,822)	
Add: deferred amount on refunding	383,833	
Add: deferred charges - debt issuance costs	475,210	
Less: compensated absences payable	(574,740)	
Less: other deferred revenue - premium on debt	(1,713,774)	
Less: accrued interest on bonds, notes, and capital leases	<u>(547,496)</u>	(53,641,436)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		<u>1,124,279</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 20,478,298</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-3

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2006

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 10,311,652	\$ 6,510,375	\$ 0	\$ 5,521,901	\$ 22,343,928
Licenses and Permits	289,967	0	0	0	289,967
Fines, Forfeitures, and Penalties	395,570	0	0	65,364	460,934
Charges for Current Services	230,812	0	0	741,299	972,111
Other Local Revenues	531,870	1,590,976	0	84,740	2,207,586
Fees Received from County Officials	3,011,722	0	0	0	3,011,722
State of Tennessee	1,621,772	670,454	0	3,593,322	5,885,548
Federal Government	616,872	207	0	493,289	1,110,368
Other Governments and Citizens Groups	118,510	125,000	0	277,385	520,895
Total Revenues	<u>\$ 17,128,747</u>	<u>\$ 8,897,012</u>	<u>\$ 0</u>	<u>\$ 10,777,300</u>	<u>\$ 36,803,059</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 2,891,854	\$ 0	\$ 0	\$ 0	\$ 2,891,854
Finance	1,806,216	0	0	679,407	2,485,623
Administration of Justice	1,757,852	0	0	256,407	2,014,259
Public Safety	7,580,529	0	0	62,159	7,642,688
Public Health and Welfare	781,999	0	0	0	781,999
Social, Cultural, and Recreational Services	1,073,675	0	0	79,878	1,153,553
Agricultural and Natural Resources	136,937	0	0	0	136,937
Other Operations	974,166	0	0	393,785	1,367,951
Highways	0	0	0	4,513,355	4,513,355
Debt Service:					
Principal on Debt	0	4,898,032	0	0	4,898,032
Interest on Debt	0	1,980,592	0	0	1,980,592
Other Debt Service	0	126,133	0	0	126,133
Capital Projects	0	0	16,131,827	3,292,686	19,424,513
Total Expenditures	<u>\$ 17,003,228</u>	<u>\$ 7,004,757</u>	<u>\$ 16,131,827</u>	<u>\$ 9,277,677</u>	<u>\$ 49,417,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 125,519</u>	<u>\$ 1,892,255</u>	<u>\$ (16,131,827)</u>	<u>\$ 1,499,623</u>	<u>\$ (12,614,430)</u>
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 14,000,000	\$ 0	\$ 14,000,000
Notes Issued	0	0	1,667,782	332,218	2,000,000
Capital Leases Issued	0	0	355,632	0	355,632
Premiums on Debt Issued	0	0	108,413	0	108,413
Transfers In	1,178,068	0	0	0	1,178,068
Transfers Out	0	0	0	(1,211,318)	(1,211,318)
Total Other Financing Sources (Uses)	<u>\$ 1,178,068</u>	<u>\$ 0</u>	<u>\$ 16,131,827</u>	<u>\$ (879,100)</u>	<u>\$ 16,430,795</u>
Net Change in Fund Balances	\$ 1,303,587	\$ 1,892,255	\$ 0	\$ 620,523	\$ 3,816,365
Fund Balance, July 1, 2005	5,116,323	7,205,498	0	7,713,229	20,035,050
Fund Balance, June 30, 2006	<u>\$ 6,419,910</u>	<u>\$ 9,097,753</u>	<u>\$ 0</u>	<u>\$ 8,333,752</u>	<u>\$ 23,851,415</u>

The notes to the financial statements are an integral part of this statement.

Exhibit C-4

Maury County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 3,816,365
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 5,126,901	
Less: current year depreciation expense	<u>(3,086,892)</u>	2,040,009
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets.		475,548
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2006	\$ 339,646	
Less: deferred delinquent property taxes and other deferred June 30, 2005	<u>(228,752)</u>	110,894
(4) The issuance of long-term debt (e.g., notes, bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items related to long-term debt issuance when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Less: note proceeds	\$ (2,000,000)	
Less: capital lease proceeds	(355,632)	
Less: bond proceeds	(14,000,000)	
Add: change in premium on debt issuances	224,970	
Add: change in deferred debt issuance costs	75,854	
Add: principal payment on notes	1,046,406	
Add: principal payment on capital leases	125,000	
Add: principal payment on bonds	3,726,626	
Less: change in deferred amount on refunding debt	<u>(144,577)</u>	(11,301,353)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (124,329)	
Change in compensated absences	<u>(79,793)</u>	(204,122)
(6) Internal service funds are used by management to charge the costs of a central maintenance garage and a prescription drug plan to applicable profit due business-type funds. The net revenue of certain activities of the internal service funds is reported with governmental activities in the statement of activities.		<u>(20,487)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (5,083,146)</u>

The notes to the financial statements are an integral part of this statement.

## Exhibit D-1

Maury County, Tennessee  
Statement of Net Assets  
Proprietary Funds  
June 30, 2006

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major Fund	Nonmajor Fund	Total	
	Maury Regional Hospital	Solid Waste Disposal		
<b>ASSETS</b>				
Current Assets:				
Cash	\$ 29,078,903	\$ 200	\$ 29,079,103	\$ 0
Equity in Pooled Cash and Investments	0	2,239,173	2,239,173	73,964
Accounts Receivable	76,808,783	186,257	76,995,040	29,327
Allowance for Uncollectible Accounts	(22,598,510)	0	(22,598,510)	0
Property Taxes Receivable (Net of Allowance for Uncollected Property Taxes)	0	1,471,056	1,471,056	0
Due from Other Governments	0	20,949	20,949	0
Inventories	2,286,735	0	2,286,735	0
Prepaid Items	2,081,137	4,372	2,085,509	3,489
Other	1,682,998	0	1,682,998	0
<b>Total Current Assets</b>	<b>\$ 89,340,046</b>	<b>\$ 3,922,007</b>	<b>\$ 93,262,053</b>	<b>\$ 106,780</b>
Noncurrent Assets:				
Capital Assets:				
Assets not Depreciated:				
Land	\$ 5,594,140	\$ 818,367	\$ 6,412,507	\$ 25,000
Construction in Progress	2,489,979	9,621	2,499,600	0
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	92,454,388	463,656	92,918,044	59,040
Machinery and Equipment	27,181,488	274,558	27,456,046	8,031
<b>Total Noncurrent Assets</b>	<b>\$ 127,719,995</b>	<b>\$ 1,566,202</b>	<b>\$ 129,286,197</b>	<b>\$ 92,071</b>
<b>Total Assets</b>	<b>\$ 217,060,041</b>	<b>\$ 5,488,209</b>	<b>\$ 222,548,250</b>	<b>\$ 198,851</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 8,633,643	\$ 0	\$ 8,633,643	\$ 0
Accrued Payroll	2,396,637	0	2,396,637	0
Payroll Deductions Payable	0	6,476	6,476	4,486
Compensated Absences Payable	3,417,702	17,409	3,435,111	0
Other Deferred Revenue	59,839	0	59,839	0
Accrued Liability for Landfill Closure/Postclosure Care Cost	0	33,768	33,768	0
Accrued Interest Payable	238,249	0	238,249	0
Due to Other Funds	0	14,992	14,992	0
Due to State of Tennessee	0	913	913	0
Due to Joint Ventures	706,826	0	706,826	0
Deferred Revenue - Current Property Taxes	0	1,395,061	1,395,061	0
Current Portion of Long-term Debt	5,275,919	0	5,275,919	0
<b>Total Current Liabilities</b>	<b>\$ 20,728,815</b>	<b>\$ 1,468,619</b>	<b>\$ 22,197,434</b>	<b>\$ 4,486</b>
Noncurrent Liabilities:				
Accrued Liability for Landfill Closure/Postclosure Care Cost	\$ 0	\$ 607,827	\$ 607,827	\$ 0
Bonds and Other Long-term Debt	39,597,116	0	39,597,116	0
<b>Total Noncurrent Liabilities</b>	<b>\$ 39,597,116</b>	<b>\$ 607,827</b>	<b>\$ 40,204,943</b>	<b>\$ 0</b>
<b>Total Liabilities</b>	<b>\$ 60,325,931</b>	<b>\$ 2,076,446</b>	<b>\$ 62,402,377</b>	<b>\$ 4,486</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	\$ 83,203,497	\$ 0	\$ 83,203,497	\$ 0
Invested in Capital Assets	0	1,566,202	1,566,202	92,071
Unrestricted	73,530,613	1,845,561	75,376,174	102,294
<b>Total Net Assets</b>	<b>\$ 156,734,110</b>	<b>\$ 3,411,763</b>	<b>\$ 160,145,873</b>	<b>\$ 194,365</b>

The notes to the financial statements are an integral part of this statement.

## Exhibit D-2

Maury County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2006

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Fund	Fund		
Maury Regional Hospital	Solid Waste Disposal			
<u>Operating Revenues</u>				
Charges for Current Services	\$ 220,785,269	\$ 1,044,217	\$ 221,829,486	\$ 1,939,570
Loss from Rental Operation	(103,167)	0	(103,167)	0
Other Local Revenues	8,364,926	125,079	8,490,005	1,514
Total Operating Revenues	<u>\$ 229,047,028</u>	<u>\$ 1,169,296</u>	<u>\$ 230,216,324</u>	<u>\$ 1,941,084</u>
<u>Operating Expenses</u>				
Salaries and Employee Benefits	\$ 128,704,578	\$ 0	\$ 128,704,578	\$ 0
Other General Administration	0	0	0	1,718,333
Other Operations	0	0	0	271,660
Fees and Professional Services	11,735,701	0	11,735,701	0
Insurance	2,148,360	0	2,148,360	0
Supplies and Other Expenses	67,190,984	0	67,190,984	0
Waste Pickup	0	38,351	38,351	0
Convenience Centers	0	667,265	667,265	0
Landfill Operation and Maintenance	0	1,672,891	1,672,891	0
Interest Expense	1,229,153	0	1,229,153	0
Depreciation and Amortization Expense	13,502,265	147,342	13,649,607	4,828
Total Operating Expenses	<u>\$ 224,511,041</u>	<u>\$ 2,525,849</u>	<u>\$ 227,036,890</u>	<u>\$ 1,994,821</u>
Operating Income (Loss)	<u>\$ 4,535,987</u>	<u>\$ (1,356,553)</u>	<u>\$ 3,179,434</u>	<u>\$ (53,737)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Local Taxes	\$ 0	\$ 150,010	\$ 150,010	\$ 0
General Government Grants	162,251	108,398	270,649	0
Other Local Revenues	0	6,530	6,530	0
Unrestricted Gifts	145,118	0	145,118	0
Interest Income	279,566	0	279,566	0
Minority Interest in Loss of Family Health Group	126,774	0	126,774	0
Minority Interest in Earnings of Ambulatory Surgery Center	(160,340)	0	(160,340)	0
Gain on Disposal of Equipment	85,599	0	85,599	0
Total Nonoperating Revenues (Expenses)	<u>\$ 638,968</u>	<u>\$ 264,938</u>	<u>\$ 903,906</u>	<u>\$ 0</u>
Income(Loss) Before Transfers	\$ 5,174,955	\$ (1,091,615)	\$ 4,083,340	\$ (53,737)
Transfers In (Out)	0	0	0	33,250
Change in Net Assets	\$ 5,174,955	\$ (1,091,615)	\$ 4,083,340	\$ (20,487)
Prior Period Adjustment	(4,960,792)	0	(4,960,792)	0
Net Assets, July 1, 2005	<u>156,519,947</u>	<u>4,503,378</u>	<u>161,023,325</u>	<u>214,852</u>
Nets Assets, June 30, 2006	<u>\$ 156,734,110</u>	<u>\$ 3,411,763</u>	<u>\$ 160,145,873</u>	<u>\$ 194,365</u>

The notes to the financial statements are an integral part of this statement.

Exhibit D-3

Maury County, Tennessee  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2006

	Business-type Activities			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Fund	Fund		
	Maury Regional Hospital	Solid Waste Disposal		
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from Customers and Users	\$ 214,418,096	\$ 1,022,911	\$ 215,441,007	\$ 1,925,930
Other Cash Receipts (Payments)	8,951,015	125,079	9,076,094	1,514
Payments to Suppliers	(84,504,233)	0	(84,504,233)	0
Payments to Employees	(127,573,455)	0	(127,573,455)	0
Central Maintenance Garage Activity - Uses	0	0	0	(2,008,995)
Waste Collection and Disposal Activity - Uses	0	(2,387,171)	(2,387,171)	0
Net Cash Provided By (Used In) Operating Activities	\$ 11,291,423	\$ (1,239,181)	\$ 10,052,242	\$ (81,551)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Acquisition of Capital Assets	\$ (18,003,150)	\$ (87,619)	\$ (18,090,769)	\$ (8,454)
Proceeds from Sale of Equipment	659,395	0	659,395	0
Proceeds from Issuance of Long-term Debt	18,046,970	0	18,046,970	0
Principal Payments on Bonds	(3,988,375)	0	(3,988,375)	0
Interest Paid on Bonds	(1,258,844)	0	(1,258,844)	0
Principal Payments on Other Long-term Debt	(194,400)	0	(194,400)	0
Interest Paid on Other Long-term Debt	(358,775)	0	(358,775)	0
Net Cash Provided By (Used In) Capital and Related Financing Activities	\$ (5,097,179)	\$ (87,619)	\$ (5,184,798)	\$ (8,454)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Grants Received	\$ 89,400	\$ 108,398	\$ 197,798	\$ 0
Local Taxes	0	1,473,739	1,473,739	0
Contributions	1,865	6,530	8,395	0
Operating Transfers In	0	0	0	33,250
Net Cash Provided By (Used In) Noncapital Financing Activities	\$ 91,265	\$ 1,588,667	\$ 1,679,932	\$ 33,250
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Investment Income	\$ 264,065	\$ 0	\$ 264,065	\$ 0
Net Cash Provided By (Used In) Investing Activities	\$ 264,065	\$ 0	\$ 264,065	\$ 0
Net Increase (Decrease) in cash	\$ 6,549,574	\$ 261,867	6,811,441	\$ (56,755)
Cash, July 1, 2005	22,529,329	1,977,506	24,506,835	130,719
Cash, June 30, 2006	\$ 29,078,903	\$ 2,239,373	\$ 31,318,276	\$ 73,964

(Continued)

Exhibit D-3

Maury County, Tennessee  
Statement of Cash Flows  
Proprietary Funds (Cont.)

	<u>Business-type Activities</u>			<u>Governmental Activities - Internal Service Funds</u>
	<u>Major</u>	<u>Nonmajor</u>	<u>Total</u>	
	<u>Fund</u>	<u>Fund</u>		
<u>Maury Regional Hospital</u>	<u>Solid Waste Disposal</u>			
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>				
<u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>				
Operating Income (Loss)	\$ 4,535,987	\$ (1,356,553)	\$ 3,179,434	\$ (53,737)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:				
Depreciation and Amortization Expense	14,086,529	147,342	14,233,871	4,828
Provision for Uncollectible Accounts	11,910,068	0	11,910,068	0
Interest Expense	1,229,153	0	1,229,153	0
Capital Assets Contributed to Wayne County in-Lieu-of Rent	175,000	0	175,000	0
Supplies Contributed by Auxiliary	143,253	0	143,253	0
(Increase) Decrease in Accounts Receivable	(18,303,954)	(25,521)	(18,329,475)	(13,596)
(Increase) Decrease in Due from Other Governments	0	(11,553)	(11,553)	0
(Increase) Decrease in Inventories	(149,538)	0	(149,538)	0
(Increase) Decrease in Prepaid Items	504,580	776	505,356	(44)
(Increase) Decrease in Other Assets	(40,245)	0	(40,245)	0
Increase (Decrease) in Accounts Payable	(3,930,533)	0	(3,930,533)	0
Increase (Decrease) in Claims and Judgments Payable	0	0	0	(20,161)
Increase (Decrease) in Payroll Deductions Payable	0	1,498	1,498	1,159
Increase (Decrease) in Closure/Postclosure Care Costs	0	(12,881)	(12,881)	0
Increase (Decrease) in Due to Other Funds	0	14,992	14,992	0
Increase (Decrease) in Due to State of Tennessee	0	(329)	(329)	0
Increase (Decrease) in Accrued Leave	0	3,048	3,048	0
Increase (Decrease) in Accrued Expenses	1,131,123	0	1,131,123	0
Net Cash Provided By (Used In) Operating Activities	<u>\$ 11,291,423</u>	<u>\$ (1,239,181)</u>	<u>\$ 10,052,242</u>	<u>\$ (81,551)</u>
<u>RECONCILIATION OF CASH WITH STATEMENT OF NET ASSETS</u>				
Cash per Net Assets	\$ 29,078,903	\$ 200	\$ 29,079,103	\$ 0
Equity in Pooled Cash and Investments per Net Assets	0	2,239,173	2,239,173	73,964
Cash, June 30, 2006	<u>\$ 29,078,903</u>	<u>\$ 2,239,373</u>	<u>\$ 31,318,276</u>	<u>\$ 73,964</u>

The notes to the financial statements are an integral part of this statement.

Exhibit E

Maury County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2006

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,609,614
Investments	35,404
Due from Other Governments	<u>1,453,095</u>
Total Assets	<u>\$ 3,098,113</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,453,095
Due to Litigants, Heirs, and Others	<u>1,645,018</u>
Total Liabilities	<u>\$ 3,098,113</u>

The notes to the financial statements are an integral part of this statement.

**MAURY COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2006**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Maury County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Maury County:

**A. Reporting Entity**

Maury County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Maury County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

**Blended Component Units** – There are no legally separate component units of Maury County that meet the criteria for being reported as part of the primary government by the blending method.

**Discretely Presented Component Units** – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Maury County School Department operates the public school system in the county, and the voters of Maury County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Maury County Board of Public Utilities Water System provides water supply and distribution lines for county residents outside of the city limits. The county mayor appoints and the County Commission ratifies its governing body. The board's operating budget is subject to the County Commission's approval.

The Maury County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Maury County, and the Maury County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of

most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Maury County Emergency Communications District were not available from other auditors in time for inclusion in this report.

The Maury County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the Maury County School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Maury County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Maury County Board of Public Utilities Water System and the Maury County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Maury County Board of Public Utilities Water System  
1018 South Garden Street  
Columbia, TN 38401

Maury County Emergency Communications District  
2907 Cayce Lane  
Columbia, TN 38401

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Maury County School Department component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Maury County issues all debt for the discretely presented Maury County School Department. Net debt issues (\$15,990,914) were contributed by the county to the School Department during the year ended June 30, 2006.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise and internal service), and fiduciary funds. The internal service funds are reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Maury County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Maury County reports four proprietary funds (two internal service funds and two enterprise funds). Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All other governmental funds and enterprise funds are aggregated into single columns on the fund financial statements. The internal service funds and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days

after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Maury County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus (except for agency funds which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Maury County reports the following major governmental funds:

**General Fund** – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**General Debt Service Fund** – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Education Capital Projects Fund** – This fund accounts for debt issued by Maury County that is subsequently contributed to the discretely presented Maury County School Department for construction and renovation projects.

Maury County reports the following major proprietary fund:

**Maury Regional Hospital Fund** – This fund accounts for the regional hospital under authority of and in compliance with the provisions of Chapter 373 of the Tennessee Private Acts of 1953.

Additionally, Maury County reports the following fund types:

**Special Revenue Funds** – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

**Internal Service Funds** – These funds, the Central Maintenance/Garage Fund and the Employee Insurance - Prescriptions Fund, are used to account for the county's central vehicle maintenance and the county's self-insured prescription drug programs. Premiums charged to the various county funds and employee payroll deductions are placed in the Employee Insurance - Prescriptions Fund for payment of claims of county employees.

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Maury County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Maury County School Department reports the following major governmental funds:

**General Purpose School Fund** – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

**Education Capital Projects Fund** – This fund is used to account for contributions from Maury County to the School Department for building construction and renovations.

Additionally, the Maury County School Department reports the following fund type:

**Special Revenue Funds** – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to the same limitations. Maury County has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has four proprietary funds that account for solid waste disposal (enterprise fund), a regional hospital (enterprise fund), a central maintenance garage (internal service fund), and an employees' prescription drug program (internal service fund). Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's proprietary funds are charges for services. Operating expenses for the proprietary funds include general operating expenses and employee benefits.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

For purposes of the statement of cash flows of the primary government (excluding the Maury Regional Hospital), cash consists of cash on deposit with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; the county's own legally issued bonds or notes; the State Treasurer's Investment Pool; and repurchase agreements.

The county trustee maintains a cash and internal investment pool that is used by all funds (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. In addition, investments are held separately by the Constitutional Officers Agency Fund. Maury County (excluding the Maury Regional Hospital) and the Maury County School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at

amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to two percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

**3. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items in the General, Highway/Public Works, Solid Waste Disposal, and Central Maintenance/Garage Funds represent insurance prepayments. Prepaid items in the discretely presented Maury County School Department's General Purpose School Fund represent insurance prepayments and software support service prepayments.

**4. Capital Assets**

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government (excluding the Maury Regional Hospital) as assets with an initial, individual cost of \$5,000 (infrastructure \$50,000) or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government (excluding Maury Regional Hospital) and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-50
Other Capital Assets	5-7
Infrastructure:	
Roads	5-15
Bridges	50

**5. Compensated Absences**

The policy of Maury County (with the exception of the Maury Regional Hospital) permits employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Maury County does not have a policy to pay amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented Maury County School Department to permit its employees to accumulate varying amounts of earned but unused vacation leave which will be paid upon retirement, resignation, or termination. It is also the policy of the discretely presented Maury County School Department to permit its employees to accumulate varying amounts of earned but unused sick leave. Upon retirement from the School Department, an employee will be paid either \$50 (professional employee) or \$10 (certain nonprofessional employees) per day for unused sick leave. This payment will be made after the employee's retirement has been approved by the Tennessee Consolidated Retirement System. During the year, 18 employees retired and received sick leave payments totaling \$106,750. All vacation and sick leave is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation and sick leave is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**6. Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities (or proprietary fund type) statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line

method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and landfill closure/postclosure care costs, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **7. Net Assets and Fund Equity**

In the government-wide financial statements and the proprietary funds in the fund financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2006, Maury County had \$43,473,755 in outstanding debt for capital purposes for the discretely presented Maury County School Department. The debt is a liability of Maury County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Maury County has incurred a liability

significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2006:

<u>Fund/Purpose</u>	<u>Amount</u>
Primary Government:	
General:	
Libraries	\$ 43,835
Archives	52,705
Non-Qualified Retirement	675,001
Voting Machines	381,754
Special Purpose Fund:	
Data Processing Equipment	1,539
Discretely Presented School Department:	
General Purpose School Fund:	
Litigation	5,479

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

Discretely Presented Maury County School Department

Exhibit K-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

### Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

### Discretely Presented Maury County School Department

Exhibit K-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees Fund (special revenue fund) which is not budgeted, and the capital projects fund, which adopts a project length budget. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Maury County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Maury County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and GAAP basis is presented on the face of each budgetary schedule.

**B. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Category</u>	<u>Amount Overspent</u>
Primary Government:	
General Fund:	
District Attorney General	\$ 995
Veterans' Services	1,147
Miscellaneous	3,737
Discretely Presented Component Unit:	
General Purpose School Fund:	
Support Services - Central and Other	6,303

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balances.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Maury County (excluding the Maury Regional Hospital) and the Maury County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash and investments reflected on the balance sheets or statements of net assets represent nonpooled amounts held separately by individual funds.

**Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf

of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

### **Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

**Investment Balances.** As of June 30, 2006, Maury County (excluding the Maury Regional Hospital) had the following investments carried at fair value or cost. All investments are in the Constitutional Officers – Agency Fund and were made on behalf of litigants at the direction of a court order.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value or Cost</u>
Merrill Lynch	Daily	\$ 35,404

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Maury County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Maury County has no investment policy that would further limit its investment choices.

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Maury County does not have a formal policy that limits custodial credit risk for investments. The investments were uninsured and held by the investment's counterparty, not in the name of the county. However, it should be noted that these amounts are invested on behalf of litigants at the order of the court, and the county has no custodial credit risk for these investments.

**B. Notes Receivable**

Notes receivable in the Special Purpose Fund resulted from the use of idle county funds to finance various projects of the Maury County Arts Guild and are offset by a reservation of fund balance. The amount of the notes that is not expected to be collected within one year is \$5,368.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

**Primary Government (excluding the Maury Regional Hospital)**

**Governmental Activities (Includes Internal Service Fund):**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Capital Assets Not Depreciated:				
Land	\$ 7,108,375	\$ 72,404	\$ 0	\$ 7,180,779
Construction in Progress	1,366,756	1,009,300	(1,615,464)	760,592
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 8,475,131</b>	<b>\$ 1,081,704</b>	<b>\$ (1,615,464)</b>	<b>\$ 7,941,371</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 23,523,671	\$ 1,267,316	\$ 0	\$ 24,790,987
Infrastructure	27,350,628	3,487,583	0	30,838,211
Other Capital Assets	7,077,889	1,394,696	(387,655)	8,084,930
<b>Total Capital Assets Depreciated</b>	<b>\$ 57,952,188</b>	<b>\$ 6,149,595</b>	<b>\$ (387,655)</b>	<b>\$ 63,714,128</b>

**Governmental Activities (Includes Internal Service Fund) (Cont.):**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,327,038	\$ 466,681	\$ 0	\$ 5,793,719
Infrastructure	9,575,988	1,962,147	0	11,538,135
Other Capital Assets	5,001,730	662,892	(382,723)	5,281,899
Total Accumulated Depreciation	<u>\$ 19,904,756</u>	<u>\$ 3,091,720</u>	<u>\$ (382,723)</u>	<u>\$ 22,613,753</u>
Total Capital Assets Depreciated, Net	<u>\$ 38,047,432</u>	<u>\$ 3,057,875</u>	<u>\$ (4,932)</u>	<u>\$ 41,100,375</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,522,563</u>	<u>\$ 4,139,579</u>	<u>\$ (1,620,396)</u>	<u>\$ 49,041,746</u>

**Business-type Activities (Excluding Maury Regional Hospital):**

	Balance 7-1-05	Increases	Balance 6-30-06
Capital Assets Not Depreciated:			
Land	\$ 818,367	\$ 0	\$ 818,367
Construction in Progress	0	9,621	9,621
Total Capital Assets Not Depreciated	<u>\$ 818,367</u>	<u>\$ 9,621</u>	<u>\$ 827,988</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 1,231,281	\$ 13,850	\$ 1,245,131
Other Capital Assets	1,652,176	64,148	1,716,324
Total Capital Assets Depreciated	<u>\$ 2,883,457</u>	<u>\$ 77,998</u>	<u>\$ 2,961,455</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 711,092	\$ 70,383	\$ 781,475
Other Capital Assets	1,364,807	76,959	1,441,766
Total Accumulated Depreciation	<u>\$ 2,075,899</u>	<u>\$ 147,342</u>	<u>\$ 2,223,241</u>
Total Capital Assets Depreciated, Net	<u>\$ 807,558</u>	<u>\$ (69,344)</u>	<u>\$ 738,214</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,625,925</u>	<u>\$ (59,723)</u>	<u>\$ 1,566,202</u>

Depreciation expense was charged to functions of the primary government (excluding the Maury Regional Hospital) as follows:

Governmental Activities:	
General Government	\$ 199,261
Finance	52,599
Administration of Justice	44,245
Public Safety	407,484
Public Health and Welfare	16,092
Social, Cultural, and Recreational Services	125,533
Agriculture and Natural Resources	5,860
Other Operations	16,239
Highways	<u>2,224,407</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,091,720</u>
Business-type Activities:	
Solid Waste Disposal	<u>\$ 147,342</u>

**Discretely Presented Maury County School Department**

**Governmental Activities:**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Capital Assets Not Depreciated:				
Land	\$ 2,432,200	\$ 0	\$ 0	\$ 2,432,200
Construction in Progress	7,627,362	19,445,510	(1,135,761)	<u>25,937,111</u>
Total Capital Assets				
Not Depreciated	<u>\$ 10,059,562</u>	<u>\$ 19,445,510</u>	<u>\$ (1,135,761)</u>	<u>\$ 28,369,311</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 95,620,730	\$ 1,093,841	\$ 0	\$ 96,714,571
Other Capital Assets	9,412,802	710,459	(337,404)	<u>9,785,857</u>
Total Capital Assets Depreciated	<u>\$ 105,033,532</u>	<u>\$ 1,804,300</u>	<u>\$ (337,404)</u>	<u>\$ 106,500,428</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 36,071,755	\$ 2,321,152	\$ 0	\$ 38,392,907
Other Capital Assets	7,291,455	703,623	(337,404)	<u>7,657,674</u>
Total Accumulated Depreciation	<u>\$ 43,363,210</u>	<u>\$ 3,024,775</u>	<u>\$ (337,404)</u>	<u>\$ 46,050,581</u>

**Governmental Activities (Cont.):**

	Balance 7-1-05	Increases	Decreases	Balance 6-30-06
Total Capital Assets Depreciated, Net	\$ 61,670,322	\$ (1,220,475)	\$ 0	\$ 60,449,847
Governmental Activities Capital Assets, Net	\$ 71,729,884	\$ 18,225,035	\$ (1,135,761)	\$ 88,819,158

Depreciation expense was charged to functions of the discretely presented Maury County School Department as follows:

Governmental Activities:

Instruction	\$ 2,317,011
Support Services	619,241
Operation of Noninstructional Services	<u>88,523</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,024,775</u>

**D. Construction Commitments**

At June 30, 2006, the county (excluding the Maury Regional Hospital) had uncompleted construction contracts of approximately \$53,531 in the Special Purpose Fund, \$110,742 in the Adequate Facilities/Development Fund, and \$3,540,328 in the General Capital Projects Fund. Funding has been received for these future expenditures.

At June 30, 2006, the discretely presented Maury County School Department had uncompleted construction contracts of approximately \$3,313,890 in the Education Capital Projects Fund for the school building program. Funding has been received for these future expenditures.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2006, is as follows:

**Due to/from other funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 2,951
General	Nonmajor enterprise	14,992
Nonmajor governmental	Nonmajor governmental	277,736
School Department Component Unit:		
General Purpose School	Nonmajor governmental	263,557
Nonmajor governmental	General Purpose School	2,065

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

**Due to/from primary government and component units:**

Receivable Fund	Payable Fund	Amount
Component unit:		
Discretely Presented Maury County School Department: Education Capital Projects	Primary government: Nonmajor governmental	\$ 154,480

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2006, consisted of the following amounts:

**Primary Government**

Transfers Out	Transfers In	
	General Fund	Internal Service Fund
Nonmajor governmental funds	\$ 1,178,068	\$ 33,250
Total	\$ 1,178,068	\$ 33,250

## Discretely Presented Maury County School Department

Transfers Out	Transfers In General Purpose School Fund
Nonmajor governmental fund	\$ 133,701
Total	\$ 133,701

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### F. Capital Leases

On June 1, 2006, Maury County entered into a two-year lease-purchase agreement for data processing equipment. The terms of the agreement require total lease payments of \$375,000 plus interest of 5.549 percent. Title to the equipment transfers to Maury County at the end of the lease period. The lease payments are made by the General Debt Service Fund.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2006, were as follows:

Year Ending June 30	Governmental Funds
2007	\$ 125,000
2008	125,000
Total Minimum Lease Payments	\$ 250,000
Amount Representing Interest	(19,368)
Present Value of Minimum Lease Payments	\$ 230,632

**G. Long-term Debt**

**Primary Government (Excluding the Maury Regional Hospital)**

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes outstanding were issued for original terms of up to 16 years for bonds and 20 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2006, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2006, are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-06</u>
General Obligation Bonds	3 to 5%	\$ 30,000,000	\$ 29,735,000
General Obligation Bonds - Refunding	2 to 5	25,241,170	19,078,822
Capital Outlay Notes	0 to 5	4,080,499	2,620,015
Capital Leases	5.549	355,632	230,632

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2006, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2007	\$ 3,823,822	\$ 2,022,088	\$ 842,238	\$ 87,854
2008	4,605,000	1,879,607	222,222	65,600
2009	4,645,000	1,698,933	1,555,555	57,400
2010	4,905,000	1,481,357	0	0
2011	5,135,000	1,254,353	0	0
2012-2016	14,025,000	4,050,015	0	0
2017-2020	11,675,000	1,196,900	0	0
<b>Total</b>	<b>\$ 48,813,822</b>	<b>\$ 13,583,253</b>	<b>\$ 2,620,015</b>	<b>\$ 210,854</b>

There is \$9,097,753 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$702, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$743, based on the 2000 federal census.

#### Changes in Long-term Liabilities

Long-term liability activity for the primary government (excluding the Maury Regional Hospital) for the year ended June 30, 2006, was as follows:

#### Governmental Activities:

	Bonds	Notes
Balance, July 1, 2005	\$ 38,540,448	\$ 1,666,421
Additions	14,000,000	2,000,000
Deductions	(3,726,626)	(1,046,406)
Balance, June 30, 2006	<u>\$ 48,813,822</u>	<u>\$ 2,620,015</u>
Balance Due Within One Year	<u>\$ 3,823,822</u>	<u>\$ 842,238</u>

	Capital Leases	Compensated Absences
Balance, July 1, 2005	\$ 0	\$ 494,947
Additions	355,632	781,679
Deductions	(125,000)	(701,886)
Balance, June 30, 2006	<u>\$ 230,632</u>	<u>\$ 574,740</u>
Balance Due Within One Year	<u>\$ 112,202</u>	<u>\$ 574,739</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2006	\$ 52,239,209
Less: Due Within One Year	(5,353,001)
Add: Unamortized Premium on Debt	1,713,774
Less: Deferred Amount on Refunding	<u>(383,833)</u>
 Noncurrent Liabilities - Due In More Than One Year - Exhibit A	 <u>\$ 48,216,149</u>

Compensated absences payable will be paid from the employing funds, primarily the General Fund and the Highway/Public Works Fund.

**Maury County Solid Waste Disposal Fund (Enterprise Fund)**

Changes in Long-term Liabilities

Long-term liability activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2006, was as follows:

Business-type Activities:

	Compensated Absences	Closure/ Postclosure Care Costs
	<u>          </u>	<u>          </u>
Balance, July 1, 2005	\$ 14,361	\$ 654,476
Additions	26,969	0
Deductions	<u>(23,921)</u>	<u>(12,881)</u>
 Balance, June 30, 2006	 <u>\$ 17,409</u>	 <u>\$ 641,595</u>
 Balance Due Within One Year	 <u>\$ 17,409</u>	 <u>\$ 33,768</u>

**Discretely Presented Maury County School Department**

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Maury County School Department for the year ended June 30, 2006, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>
Balance, July 1, 2005	\$ 3,503,478
Additions	356,697
Deductions	<u>(278,772)</u>
Balance, June 30, 2006	<u>\$ 3,581,403</u>
Balance Due Within One Year	<u>\$ 289,411</u>

Compensated absences will be paid from the employing funds, primarily the General Purpose School and School Federal Projects Funds.

**H. Short-term Debt**

Maury County issued tax anticipation notes in advance of property tax collections and deposited the proceeds in the discretely presented General Purpose School Fund. These notes were necessary to meet cash flow requirements. Short-term debt activity for the year ended June 30, 2006, was as follows:

	Balance 7-1-05	Issued	Redeemed	Balance 6-30-06
Tax Anticipation Notes	\$ 0	\$ 2,500,000	\$ (2,500,000)	\$ 0

**V. OTHER INFORMATION**

**A. Risk Management**

Maury County (excluding the Maury Regional Hospital) is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The county joined the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$500,000 (property), and \$250,000 (casualty) for each insured event.

Maury County (excluding the Maury Regional Hospital) and the discretely presented Maury County School Department participate in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established by the Tennessee County Services Association, an association of member counties, to provide for liabilities arising under the workers' compensation law. In accordance with Sections 12-9-101 through 12-9-109, Tennessee Code Annotated, inclusive, local governments are eligible to participate. The creation of the LGWCF provides for it to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$500,000 for each insured event.

The county has chosen to establish the Employee Insurance - Prescriptions Fund for risks associated with the employees' prescription drug insurance plan. The Employee Insurance - Prescriptions Fund is accounted for as an internal service fund where assets are set aside for claim settlements. All full-time employees of the primary government (excluding the Maury Regional Hospital) are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. Also, employees who elect to have prescription drug coverage on dependents contribute a set premium to the fund. This charge is based on estimates of the amounts needed to pay prior and current-year claims. Claims are submitted and paid on a 15-day cycle; therefore, the claims liability represents claims reported but not paid at June 30, 2006. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Employee Insurance - Prescriptions Fund

	Beginning of Fiscal Year Liability	Current- Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2004-05	\$ 10,713	\$ 357,049	\$ (347,601)	\$ 20,161
2005-06	20,161	271,660	(291,821)	0

The county (excluding the Maury Regional Hospital) continues to carry commercial insurance for employees' health insurance.

The discretely presented Maury County School Department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, employee health, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

## **B. Accounting Changes**

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries became effective for the year ended June 30, 2006. GASB Statement No. 42 requires governments to report the effects of capital asset impairments in their financial statements when they occur rather than as a part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. In addition, GASB Statement No. 42 clarifies and establishes accounting requirements for insurance recoveries. GASB Statement No. 42 had no effect on the financial statements for the year ended June 30, 2006, since no capital asset impairment and insurance recoveries occurred. However, it is reasonably expected that capital asset impairment and insurance recoveries may occur in subsequent years that will be subject to the provisions of Statement No. 42.

The provisions of GASB Statement No. 44, Economic Condition Reporting: The Statistical Section (an amendment of NCGA Statement 1) became effective for the year ended June 30, 2006. GASB Statement No. 44 applies to the preparation of the statistical section. State and local governments may, but are not required to, prepare a statistical section to accompany basic financial statements. However, a statistical section is required to accompany a comprehensive annual financial report. Since Maury County is not presenting a comprehensive annual financial report, it has elected not to prepare a statistical section. A limited statistical section was presented in the prior year's report. GASB Statement No. 44 amends guidance related to the preparation of the statistical section. This statement improves the understandability and usefulness of statistical information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by GASB Statement No. 34. GASB Statement No. 44 establishes the objectives of the statistical section and the five categories it contains: financial trends, revenue capacity, debt capacity, demographic and economic, and operating. It is reasonably expected that Maury County will prepare and present a statistical section in subsequent years that follows the requirements of GASB Statement No. 44.

The provisions of GASB Statement No. 46, Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34 became effective for the year ended June 30, 2006. GASB Statement No. 46 provides guidance to determine when net assets have been restricted to a particular use by the passage of enabling legislation and specifies how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. The statement also requires governments to disclose in the notes to the financial statements the amount of net assets restricted by enabling legislation as of the end of the reporting period. Maury County had no net assets restricted by enabling legislation to disclose as of

June 30, 2006. But it is reasonably expected that Maury County will be required to disclose net assets restricted by enabling legislation in subsequent years.

The provisions of GASB Statement No. 47, Accounting for Termination Benefits became effective for the year ended June 30, 2006. GASB Statement No. 47 provides accounting and reporting guidance for state and local governments that offer benefits such as early retirement incentives or severance to employees who are involuntarily terminated. Statement No. 47 specifies when governments should recognize the cost of termination benefits they offer in accrual basis financial statements. Maury County was not offering any termination benefits to employees as of June 30, 2006. But it is reasonably expected that Maury County will offer termination benefits in subsequent years subject to the accounting and reporting requirements of GASB Statement No. 47.

**C. Subsequent Events**

Effective November 29, 2006, Maury County entered into a lease-purchase agreement totaling \$1,598,657 for school lighting renovations.

Effective December 19, 2006, Maury County issued capital outlay notes totaling \$15,185,000 for various purposes.

Effective February 7, 2007, Maury County issued capital outlay notes totaling \$500,000 for school lighting renovations.

**D. Contingent Liabilities**

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

**E. Landfill Closure/Postclosure Care Costs**

State and federal laws and regulations require the county to place a final cover on its Industrial Park Road landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Solid Waste Disposal Fund reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$33,768 reported as landfill closure and postclosure care liability at June 30, 2006, represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the landfill. This amount is based on what it would cost to perform all closure and postclosure care in 2006. The county closed the

landfill effective October 1, 1996. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Joint Ventures**

The Maury County Regional Airport Authority is a joint venture in which the county, the City of Columbia, and the City of Mount Pleasant participate. The authority is governed by a three member-board comprising one appointee from the county and one appointee from each city. During the year ended June 30, 2006, Maury County contributed \$30,000 to the authority.

The Maury County School Department participates in the Volunteer State Cooperative. The cooperative was established through a contractual cost-sharing arrangement between the Boards of Education of Bedford County, Coffee County, Dickson County, Manchester City, Maury County, Stewart County, and Sumner County. The cooperative was authorized through Chapter 49 of Tennessee Code Annotated. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Bedford County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice-chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Maury County and the discretely presented Maury County School Department do not have equity interests in any of the above-noted joint ventures. Complete financial statements for the Maury County Regional Airport Authority and the Volunteer State Cooperative can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Maury County Regional Airport Authority  
1200 N. Main Street  
Mt. Pleasant, Tennessee 38474

Volunteer State Cooperative  
Bedford County Board of Education  
500 Madison Street  
Shelbyville, Tennessee 37160

**G. Jointly Governed Organization**

The Tennessee Southern Railroad Authority (TSRA) was created by the county, in conjunction with Giles and Lawrence Counties. The TSRA's board includes the county mayors and a representative appointed by the respective

County Commissions from each of the three counties, and a representative from the cities of Mt. Pleasant and Lawrenceburg. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity. The majority of TSRA's funding is received from various grants from the Tennessee Department of Transportation. Maury County made no appropriations to the TSRA during the year ended June 30, 2006.

## **H. Retirement Commitments**

### **Plan Description**

Employees of Maury County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Maury County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us). Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/PS/>.

### **Funding Policy**

Maury County requires employees to contribute five percent of earnable compensation. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2006, was 8.37 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Maury County is established and may be amended by the TCRS Board of Trustees.

## Annual Pension Cost

For the year ended June 30, 2006, Maury County's annual pension cost of \$1,622,068 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2003, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Maury County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 14 years. An actuarial valuation was performed as of July 1, 2005, which established contribution rates effective July 1, 2006.

### Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-06	\$1,622,068	100%	\$0
6-30-05	1,510,755	100	0
6-30-04	1,372,273	100	0

### Schedule of Funding Progress

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-05	\$19,497	\$19,557	\$60	99.69%	\$17,839	0.34%
6-30-03	14,359	14,423	64	99.56	16,720	0.38
6-30-01	8,914	8,914	0	100.00	14,380	0.00

## SCHOOL TEACHERS

### **Plan Description**

The Maury County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.treasury.state.tn.us](http://www.treasury.state.tn.us). Copies of footnotes in PDF format can be accessed at <http://www.treasury.state.tn.us/tcrs/Schools/>.

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2006, was 5.5 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2006, 2005, and 2004, were \$1,259,659, \$2,122,708, and \$1,259,659, respectively, equal to the required contributions for each year.

**I. Other Post-employment Benefits**

In addition to the retirement commitments described above, the discretely presented School Department provides post-retirement health care benefits, in accordance with contract provisions, to all employees who have been employed by the School Department for ten years, and who retire from the county on or after age 55 or have 30 years (regardless of age) of verified Tennessee Consolidated Retirement Service. Retirees receive 100 percent of individual medical premiums if they had insurance coverage during the last school year with a maximum coverage of ten years or until eligible for Medicare, whichever comes first.

**J. Office of Central Accounting, Budgeting, and Purchasing and the Office of Human Resources**

Maury County operates under provisions of Chapter 233, Private Acts of 1963, which provide for a central system of accounting and budgeting covering funds administered by the county mayor and the road superintendent. These funds were maintained in the Office of Central Accounting, Budgeting, and Purchasing under the supervision of the director of accounts and budgets.

Maury County also operates under provisions of Chapter 91, Private Acts of 2004, which provide for an Office of Human Resources under the direction of the administrative committee of the County Commission. The human resources office preaudits all payrolls, generates the payroll transactions which are directly recorded in the general ledgers of the various funds, and handles all human resource duties and responsibilities. The human resources director administers the Human Resources Office.

**K. Purchasing Laws**

**Offices of County Mayor and Road Superintendent**

Purchasing procedures for the Offices of County Mayor and Road Superintendent are governed by provisions of Section 5-14-101, et seq., Tennessee Code Annotated (TCA). Purchasing procedures for the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, TCA. These statutes require that purchase orders be issued for all purchases and that sealed bids be solicited on purchases exceeding \$5,000 for the Office of County Mayor and \$10,000 for the Office of Road Superintendent.

**Office of Director of Schools**

Purchasing procedures for the discretely presented Maury County School Department are governed by purchasing laws applicable to schools, as set forth in Section 49-2-203, TCA, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires

competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**VI. OTHER NOTE – MAURY REGIONAL HOSPITAL FUND (ENTERPRISE FUND)**

**A. General**

Maury Regional Hospital is operated and maintained by Maury County, Tennessee, under authority of and in compliance with the provisions of Chapter 373 of the Tennessee Private Acts of 1953. The federal, state, and local governments participated in the cost of constructing and equipping the hospital under the Hill-Burton Act. For financial reporting purposes, the hospital is considered an enterprise fund of Maury County, Tennessee.

The hospital is under the direct supervision of an administrator with overall responsibility vested in a Board of Trustees, composed of local citizens who are appointed by the Maury County Commission. The hospital, located in Columbia, Tennessee, has been in operation since 1953 and presently has a 275-bed capacity with 20 beds designated for skilled nursing care.

The financial statements include the accounts and operations of the hospital, which also includes six medical office buildings in its service area, Marshall Medical Center, Wayne Medical Center, and certain other medical facilities in Wayne County, Tennessee, physician-practice management groups, and an Ambulatory Surgery Center. The hospital built the medical office buildings to house some of its administrative functions and for lease principally to physicians on the hospital's staff. Marshall Medical Center is an acute care hospital, located in Lewisburg, Tennessee, which was acquired by the hospital in 1995 and effective January 1, 2005, was designated a Critical Access Hospital with a new licensed bed complement of 25 beds. Wayne Medical Center is an acute care hospital with an 80-bed capacity located in Waynesboro, Tennessee, and has been leased by the hospital since 1995 (see Note M.).

**B. Summary of Significant Accounting Policies**

Basis of Presentation – The financial statements include the accounts of all wholly-owned subsidiaries and majority-owned joint ventures. Ownership interests of minority participants in joint ventures are reported as minority interests. Significant intercompany accounts and transactions have been eliminated.

Method of Accounting – The hospital follows the accrual method of accounting. Revenues are recognized in the period earned; expenditures are recorded at the time liabilities are incurred.

The hospital applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting as well as the

following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins. The hospital does not apply FASB Statements or Interpretations issued after November 30, 1989.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents and Investments – Certificates of deposit with original maturities of three months or less when acquired are considered to be cash equivalents.

Statutes authorize the hospital to invest in: (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federal chartered banks and savings and loan associations, and (3) the Local Government Investment Pool of the State of Tennessee. All certificates of deposit were recorded at cost. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool. Participating banks determine the aggregate balance of their public fund accounts for the hospital. The amount of collateral required to secure these public deposits must be equal to 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each individual account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

Patient Accounts Receivable – The hospital's primary concentration of credit risk is patient accounts receivable, which consist of amounts owed by various governmental agencies, insurance companies, and private patients. The hospital manages the receivables by regularly reviewing its accounts and contracts and by providing appropriate allowances for uncollectible amounts. Concentration of credit risk relating to accounts receivable is limited to some extent by the diversity and number of patients and payers.

Inventories – Inventories are reported at lower of cost or market, with cost determined by the average cost method.

Paid Time Off and Sick Days – An accrual for paid time off is recognized in the period in which the employee's right to the compensation is earned. Sick pay is expensed when paid or payable since it does not vest.

Properties and Depreciation – Properties are reported at cost (or fair value at date of gift, if donated) and include improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense. When depreciable assets are disposed of, the cost and related accumulated depreciation are removed from the accounts, and any gain (except on trade-ins) or loss is included in earnings for the period. Gains on trade-ins are applied to reduce the cost of the new acquisition. Depreciation is calculated principally by the straight-line method to allocate the cost of the assets over their estimated useful lives. The depreciation expense on assets acquired under capital leases is included with depreciation expense on owned assets.

Interest expense incurred on applicable borrowings outstanding during the construction of plant and equipment is capitalized at an average rate as part of the cost of the asset financed and amortized on the same basis as related depreciation.

Income Taxes – The hospital is a not-for-profit entity in accordance with Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the code. The hospital meets the Internal Revenue Service definition of a governmental unit and is exempt from filing a Form 990 based on Revenue Procedure 95-48.

Donated Supplies, Property, and Equipment – Significant donations of supplies, property, and equipment are recorded at fair market value at date of gift and recognized as non-operating revenue.

Contractual Adjustments and Discounts – Provision is made currently for estimated settlements under the terms of various contractual agreements with certain government-funded programs and other third-party payers including the effects of any overpayment resulting from changing rules relating to the proper coding and billing of patient services. Such settlements may be subject to audit and adjustment by the respective programs. In management's opinion, any such adjustments would not be significant.

Debt Issue Costs – Debt issue costs are capitalized and amortized on the straight-line method over the life of the related obligation.

Patient Service Revenue – Net patient service revenue is reported as services are rendered at estimated net realizable amounts from patients, third-party

payers, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Estimated settlements under third-party reimbursement agreements are accrued in the period the related services are rendered and adjusted in future periods as final settlements are determined. The provision for bad debts is included in net patient service revenue.

The hospital's policy does not require collateral or other security for accounts receivable. The hospital routinely accepts assignment of, or is otherwise entitled to receive, patient benefits payable under health insurance programs, plans, or policies.

Operating Activities – The hospital defines operating activities as reported on the Statement of Revenues, Expenses, and Changes in Net Assets as those that generally result from exchange transactions, such as payments for providing goods and services and payments for goods and services received. Substantially all of the hospital's revenues and expenses are from exchange transactions. Other revenue is considered nonoperating revenue.

Deferred Revenue – Grant income is deferred and recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

**C. Accounts Receivable**

Patient accounts receivable consist of the following as of June 30, 2006:

Patient Accounts Receivable

Receivable from patients and their insurance carriers	\$ 44,956,891
Receivable from Medicare	24,294,158
Receivable from TennCare	6,481,649
Other	1,047,732
Total patient accounts receivable	<u>\$ 76,780,430</u>
Less allowances for:	
Bad debts	6,103,297
Contractual adjustments	16,495,213
Total allowances	<u>\$ 22,598,510</u>
Patient accounts receivable, net	<u>\$ 54,181,920</u>

**D. Inventories**

A summary of inventories as of June 30, 2006, follows:

General	\$ 1,273,762
Pharmacy	995,559
Fuel and Gasoline	<u>17,414</u>
Total	<u>\$ 2,286,735</u>

**E. Property, Plant, and Equipment**

A summary of changes in properties and related accumulated depreciation for the year ended June 30, 2006, follows:

	Balance 7-1-05	Additions/ Transfers	Retirements	Balance 6-30-06
Capital Assets Depreciated:				
Land Improvements	\$ 6,402,647	\$ (124,370)	\$ (1,985)	\$ 6,276,292
Buildings	133,743,517	8,466,944	(407,711)	141,802,750
Equipment	94,236,013	11,679,753	(1,393,821)	104,521,945
Total Capital Assets Depreciated	<u>\$ 234,382,177</u>	<u>\$ 20,022,327</u>	<u>\$ (1,803,517)</u>	<u>\$ 252,600,987</u>
Less Accumulated Depreciation For:				
Land Improvements	\$ 2,661,856	\$ 479,540	\$ (496)	\$ 3,140,900
Buildings	47,096,237	5,517,634	(130,117)	52,483,754
Equipment	70,832,571	7,686,434	(1,178,548)	77,340,457
Total Accumulated Depreciation	<u>\$ 120,590,664</u>	<u>\$ 13,683,608</u>	<u>\$ (1,309,161)</u>	<u>\$ 132,965,111</u>
Total Capital Assets Depreciated, Net	<u>\$ 113,791,513</u>	<u>\$ 6,338,719</u>	<u>\$ (494,356)</u>	<u>\$ 119,635,876</u>
Capital Assets Not Depreciated:				
Land	\$ 5,290,501	\$ 340,130	\$ (36,491)	\$ 5,594,140
Construction in Progress	4,772,078	(2,282,099)	0	2,489,979
Total Capital Assets Not Depreciated	<u>\$ 10,062,579</u>	<u>\$ (1,941,969)</u>	<u>\$ (36,491)</u>	<u>\$ 8,084,119</u>
Total Capital Assets, Net	<u>\$ 123,854,092</u>	<u>\$ 4,396,750</u>	<u>\$ (530,847)</u>	<u>\$ 127,719,995</u>

Depreciation is determined on the straight-line basis, computed over the estimated useful lives of the assets based on American Hospital Association guidelines, which range from three to 20 years for equipment and ten to 40 years for buildings and land improvements.

Construction in progress at June 30, 2006, consists of an Outpatient Radiology Facility, relocation of the Information Systems Operation,

renovation of the Emergency Department and Coffee Shop, and expansion of the Pharmacy. Total estimated costs to complete construction projects in progress as of June 30, 2006, amounted to approximately \$12,540,000.

Properties and accumulated depreciation as of June 30, 2006, include fully depreciated assets with an original cost of \$60,725,503.

Constructed assets include capitalized interest of \$200,793 in 2006.

**F. Long-term Debt**

Long-term debt consists of the following as of June 30, 2006:

Bonds Payable

Series 2003 Refunding - represents the hospital's share of a \$6,815,000 Maury County General Obligation Bond issue, with interest rates from 2% to 2.75%, maturing over a four-year period, with the final payment due June 30, 2007.	\$ 516,178
Series 2004B Refunding - a \$15,130,000 Maury County General Obligation Refunding Bond issued on behalf of the hospital, with interest rates from 4% to 5%, maturing over a ten-year period, with the final payment due June 30, 2014.	12,605,000
Series 2005 - a \$11,870,000 Maury County General Obligation Bond issued on behalf of the hospital, with interest rates from 3% to 5%, maturing over a 15-year period, with the final payment due June 1, 2020.	10,275,000
Series 2006 - a \$15,920,000 Maury County General Obligation Bond issued on behalf of the hospital, with interest rates from 4% to 5%, maturing over a 15-year period, with the final payment due June 1, 2021.	<u>15,920,000</u>
Total	\$ 39,316,178
Less unamortized loss on bond refunding	(305,335)
Plus premium on bond refunding	<u>1,690,197</u>
Total Bonds Payable	<u><u>\$ 40,701,040</u></u>

Other Long-term Debt

8.94% note payable on Northside property, requiring monthly payments of \$5,000, with a final payment of \$250,000 due August 1, 2014.	\$ 466,363
6.13% note payable, requiring monthly payments of \$8,086, with final payment due February 14, 2009.	237,856
6.13% note payable, requiring monthly payments of \$7,771, with final payment due February 14, 2011.	376,901
5.95% note payable, requiring monthly payments of \$9,131, with final payment due March 30, 2009.	277,002
5.25% note payable on purchase of physician practice, requiring quarterly payments of \$27,500 with final payment due January 2008.	165,000
5.99% line of credit requiring monthly payments of \$3,334, beginning August 13, 2006, with final payment due May 13, 2009.	106,263
Note payable related to the Ambulatory Surgery Center, requiring monthly payments of \$3,254 beginning May 2007, interest rate variable at three-month LIBOR plus 3.75%	239,850
Total Notes Payable	<u>\$ 1,869,235</u>

Capitalized Leases Payable

Capital lease obligation	\$ 2,302,760
Total Capitalized Leases	<u>\$ 2,302,760</u>
Total Long-term Debt	\$ 44,873,035
Less Current Portion	<u>(5,275,919)</u>
Long-term Portion	<u>\$ 39,597,116</u>

A schedule, by year, of aggregate principal maturities on all long-term debt as of June 30, 2006, (including the capital lease obligation) follows:

<u>Year Ending June 30</u>	
2007	\$ 5,275,919
2008	4,803,721
2009	4,833,512
2010	4,820,826
2011	3,183,536
2012-2021	<u>20,570,659</u>
Total	<u>\$ 43,488,173</u>

A schedule of changes in long-term debt for the year ended June 30, 2006, follows:

	Bonds Payable	Other Long-term Debt	Total Long-term Debt
Balance, July 1, 2005	\$ 28,654,756	\$ 2,378,338	\$ 31,033,094
Additions and Refundings	15,920,000	2,603,707	18,523,707
Maturities and Refundings	(3,988,374)	(810,050)	(4,798,424)
Premium/Discount	114,658	0	114,658
Balance, June 30, 2006	<u>\$ 40,701,040</u>	<u>\$ 4,171,995</u>	<u>\$ 44,873,035</u>
Due Within One Year	<u>\$ 4,286,178</u>	<u>\$ 989,741</u>	<u>\$ 5,275,919</u>

**G. Employee Benefit Plans**

Defined Benefit Plan

Plan Description

Prior to May 1, 1997, all employees of the hospital were eligible to participate in the Maury Regional Hospital Retirement Plan, a single-employer public retirement system (PERS), accounted for as a separate entity from the hospital. The purpose of the plan is to provide retirement, death, and certain other benefits to such employees as specified in the plan. The actuarial method employed to determine contributions to the plan is the entry age actuarial cost method. Although it has not expressed any intention to do so, the hospital has the right under the plan to discontinue its contributions at any time and to terminate the plan subject to the provisions set forth in ERISA. The plan issues separate financial statements which may be obtained from the hospital.

The plan was amended effective May 1, 1997, to stop accrual of benefit service on April 30, 1997, for participants who made an irrevocable election to participate in the Maury Regional Healthcare System 403(b) Plan on May 1, 1997. Employees hired after May 1, 1997, are not eligible to participate in the plan.

Funding Policy

Voluntary contributions may not be made by participants. The hospital's contributions are based on an actuarially determined rate.

The hospital's annual pension cost and net pension obligation to the plan for the 2006 year were zero. The annual required contribution for the current year was determined as part of the April 30, 2006, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions used included the following:

- (1) eight percent investment rate of return
- (2) projected salary increases ranging from four percent to 7.5 percent per year
- (3) amortization method – level dollar amount

**Three-Year Trend Information**

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed	Pension Obligation
6-30-04	\$ 0	100%	\$ 0
6-30-05	0	100	0
6-30-06	0	100	0

A schedule of funding progress for the plan follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	# Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	* Covered Payroll (c)	Unfunded Actuarial Liability as a % of Covered Payroll (b-a)/c
5-1-04	\$ 36,426,153	\$ 36,426,153	0	100%	\$ 8,973,971	0%
5-1-05	37,788,172	37,788,172	0	100	8,512,531	0
5-1-06	39,895,500	39,895,500	0	100	7,487,836	0

\* Includes compensation only for participants accruing benefit service on valuation date.

# An unfunded actuarial liability is not identified under the aggregate actuarial cost method.

**Defined Contribution Plan**

Effective May 1, 1997, the hospital implemented a defined contribution plan, which includes a 403(b) feature and an employer-matching provision and covers substantially all hourly and salaried employees. Voluntary contributions may be made by the participants as a percentage of annual compensation not to exceed \$15,000 for calendar year 2006. The hospital's contribution consists of a three percent base contribution of annual covered compensation and a matching contribution equal to 50 percent of the employees' first five percent of annual compensation contributed. The hospital's total contributions for 2006 amounted to \$2,516,629. Such contributions are expensed currently.

## **H. Third-Party Payer Reimbursements and Adjustment Contingency**

Approximately 41 percent of 2006 net patient service revenues were derived under contractual agreements with certain government-funded programs (principally Medicare and TennCare) and other third-party payers. Revenues for services rendered under these programs are recorded initially at established rates and reduced to the estimated amounts due from the third-party payers through recording of contractual allowances. Final determination of amounts earned under the Medicare and TennCare programs often occur in subsequent years because of audits of the programs, rights of appeal, and the application of numerous technical provisions. Differences between original estimates and subsequent revisions (including final settlement) are included in the Statement of Revenues, Expenses and Changes in Net Assets in the period in which the revisions are made.

Patient charges under government-funded reimbursement agreements, amounting to \$90,968,918 for the year ended June 30, 2006, are subject to audit and retroactive adjustment by third-party payers. Provisions for estimated retroactive adjustments under these agreements have been made in the accompanying financial statements.

In an effort to further ensure its compliance with Medicare and other third-party payer rules and requirements, as well as other applicable laws and regulations, Maury Regional Hospital has adopted a comprehensive compliance program. This initiative has served to strengthen the hospital's policies and procedures, to reinforce the compliance responsibilities of its management and staff, and to promote awareness of its zero tolerance level for non-compliant activities. The compliance program also includes various mechanisms intended to monitor the hospital's ongoing compliance with complex and ever-changing rules relating to the proper billing and coding of patient services.

## **I. Capital Leases**

On December 10, 2003, the Ambulatory Surgery Center entered into a capital lease agreement for the purchase of medical equipment up to \$1,400,000. Under the agreement, ownership of the equipment is transferred to the Ambulatory Surgery Center at the end of the lease term. There were no draws executed under the agreement during the year. The equipment and the related liability applicable to prior years' draws were recorded at the present value of the future minimum payments due under the lease.

During 2006, Marshall Medical Center entered into a capital lease agreement for the purchase of medical equipment for \$1,023,057. Under the agreement, ownership of the equipment is transferred to the Marshall Medical Center at the end of the lease term. The equipment and the related liability were recorded at the present value of the future minimum payments due under the lease.

During 2006, South Central Heart Group entered into two capital lease agreements for the purchase of medical equipment for \$451,879. Under the agreements, ownership of the equipment is transferred to the South Central Heart Group at the end of the lease term. The equipment and the related liability were recorded at the present value of the future minimum payments due under the lease.

The following is a schedule, by year, of the future minimum lease payments required under the leases, together with the present value of the net minimum lease payments, as of June 30, 2006:

Year Ending June 30

2007	\$ 454,308
2008	486,960
2009	508,927
2010	460,348
2011	374,498
2012	<u>17,719</u>
Total minimum lease payments	\$ 2,302,760
Less: Discount for imputed interest	<u>(145,843)</u>
Present value of lease payments	<u><u>\$ 2,156,917</u></u>

A summary as of June 30, 2006, of the leased equipment, which is included in property, plant, and equipment, follows:

Equipment acquired under capital lease	\$ 2,874,936
Less: accumulated depreciation	<u>(577,062)</u>
Total	<u><u>\$ 2,297,874</u></u>

**J. Uncombined Entity**

The Maury Regional Hospital Auxiliary was established to raise funds to support the operation of Maury Regional Hospital. The auxiliary's bylaws provide that all funds raised, except for funds required for operations, be distributed to or held for the benefit of the hospital. The auxiliary's general funds represent unrestricted resources and are distributed to the hospital in amounts and at times determined by the auxiliary's Board of Trustees, which may also restrict the use of general funds for hospital plant replacement or expansion or other specific purposes. The auxiliary contributed supplies totaling \$143,253 to the hospital in 2006, which is included under nonoperating revenue. The remaining balance of \$1,865 in unrestricted gifts in 2006 relates to general contributions.

**K. Cash and Certificates of Deposit**

At June 30, 2006, the hospital's cash and certificates of deposit amounted to \$29,078,903. Bank balances for such amounts totaled \$33,088,412, all of which was insured by the Federal Deposit Insurance Corporation, by the bank's participation in the State of Tennessee's collateral pool, or by collateral held by the hospital's agent in the hospital's name.

Custodial risk is the risk that in the event of a bank failing, the hospital's deposits may not be returned to it. The hospital has a policy of investing only in banks participating in the State of Tennessee Collateral Pool or in banks that provide collateral for all deposits.

The hospital holds no investments other than certificates of deposit as of June 30, 2006, which are summarized below:

<u>Percent Interest Rate</u>	<u>Maturity</u>	<u>Amount</u>
3.67	August 2006	\$ 250,000
5.06	September 2006	1,000,000
5.25	October 2006	1,000,000
5.2	November 2006	1,000,000
4.5	December 2006	101,087
4.5	December 2006	101,087
4.5	December 2006	63,844
5	January 2007	<u>265,777</u>
Total		<u>\$ 3,781,795</u>

**L. Rental Operation**

The hospital leases space in its medical office buildings to staff physicians and also occupies a portion of the buildings for its administrative offices. Leases with physicians are generally for a three-year period, with two three-year renewal options (year-to-year thereafter), and with all utilities, insurance, and maintenance included in the lease rate.

Future rental commitments from staff physicians for leases in effect at June 30, 2006, are \$873,000 in 2007, \$751,000 in 2008, \$726,000 in 2009, and \$484,000 in 2010. A summary of rental income and related expenses applicable to the rental operation, which are netted and reported under operating revenues, follows for the year ended June 30, 2006:

Rental Income	<u>\$ 1,059,081</u>
Expenses:	
Salaries	\$ 235,749
Utilities	216,119
Other Expenses	126,116
Depreciation Expense	<u>584,264</u>
Total Expenses	<u>\$ 1,162,248</u>
Loss from Rental Operation	<u>\$ (103,167)</u>

No allocation of interest expense has been made in computing the loss from rental operation.

**M. Leased Healthcare Facilities**

On July 1, 1995, the hospital entered into the first of two five-year renewal options provided under a lease arrangement with the Board of Trustees of Wayne County General Hospital for the operation of several Wayne County healthcare facilities, including the county hospital, nursing home, ambulance service, and medical office buildings. The lease also extends to all equipment, improvements, fixtures, and related personal property. The annual lease expense under the first renewal consists of a base rent of \$175,000 and a capital improvement commitment of \$175,000. The annual lease expense under the second renewal will increase to a base rent of \$200,000 and capital improvement commitment of \$200,000 beginning July 1, 2010. The hospital may terminate the lease at any time upon 180 days' notice and the payment of \$500,000 as liquidated damages.

**N. Charity Care**

The hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. Charges excluded from revenue under the hospital's charity care policy were \$7,970,507 for the year ended June 30, 2006.

**O. Net Patient Service Revenue**

The hospital has agreements with third-party payers that provide for payments to the hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

Medicare – Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per diagnosis related

group (DRG). These DRG rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Outpatient services are generally reimbursed under the outpatient prospective payment system, which pays a fixed rate for a given bundle of outpatient services. These bundles are known as Ambulatory Payment Classifications. Inpatient nonacute services, related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to various cost limits. The hospital is reimbursed for cost based services at a tentative rate, with final settlement determined after submission of annual cost reports by the hospital and audits thereof by the Medicare fiscal intermediary. The hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review. The hospital's Medicare cost reports have been audited by the Medicare intermediary through June 30, 2004.

TennCare – Under the TennCare Program, the hospital contracts with several managed care organizations for payment of services rendered to participants. Although the specific details of the contracts vary, the inpatient payments are based on a contracted rate per diagnosis or a prospectively determined per-diem rate. Outpatient payments generally are reimbursed at a percentage discount from approved charges.

Other – The hospital has also entered into payment agreements with certain commercial insurance carriers and preferred provider organizations. The basis for payment to the hospital under these agreements includes prospectively determined daily rates, discounts from established charges, and prospectively determined rates per discharge.

The hospital's net patient service revenue consisted of the following for the year ended June 30, 2006:

Patient Service Revenue	\$ 448,965,750
Charity Care	(7,970,507)
Allowances and Uncollectible Accounts	(11,910,068)
Contractual Adjustments	<u>(208,299,906)</u>
Net Patient Service Revenue	<u><u>\$ 220,785,269</u></u>

**P. Investment in Physician Practice Management Groups**

The hospital owns an 80 percent joint venture interest in and operates Family Health Group, a not-for-profit corporation which acquires, owns, operates, and manages physician practices. Accordingly, the accounts and operations of Family Health Group are consolidated with the hospital, and a minority interest has been recognized which represents the interest of St. Thomas Health Services, the other joint venturer, in the operations and net assets of the Family Health Group.

During 2003, the hospital established South Central Heart Group, a not-for-profit corporation, to operate a physicians' practice specializing in cardiology. The corporation began operation in September 2003. During 2004, two additional practices were added to provide critical care services to patients at the hospital, Thoracic and Cardiovascular Associates and Pulmonary and Critical Care Associates. The accounts and operations are consolidated with the hospital.

**Q. Investment in Ambulatory Surgery Center**

During 2004, the hospital entered into a joint venture with a third party to operate an Ambulatory Surgery Center. The hospital owned 56 percent of the joint venture at June 30, 2006. Accordingly, the accounts and operations of the Ambulatory Surgery Center are consolidated with the hospital and a minority interest has been recognized which represents the interests of the other venturers in the operations and net assets of the Ambulatory Surgery Center.

**R. Investment in Ambulatory Care Center**

During 2006, the hospital established the Ambulatory Care Center, a corporation to provide medical care to non-critically ill patients, as a 100 percent owned subsidiary of the hospital. The accounts and operations of this corporation are consolidated with the hospital.

**S. Investment in Spring Hill Imaging Center**

During 2006, the hospital entered into a joint venture with a third party to operate the Spring Hill Imaging Center. As of June 30, 2006, the hospital owned 51 percent of the joint venture. Operations for this center began subsequent to year end.

**T. Risk Management**

The hospital is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The hospital maintains commercial insurance coverage for each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the hospital. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The hospital is also subject to claims and suits arising in the ordinary course of business, including claims for damages for personal injuries, employment-related claims, and interference with a physician's business efforts. In certain actions, damages may be sought which exceed the hospital's insurance coverage. In management's opinion, the hospital is currently not a party to any proceeding, the ultimate resolution of which will

have a material adverse effect on the hospital's results of operations or financial condition. Accordingly, no liability for any such loss has been provided.

**U. Prior-period Adjustment**

A prior-period adjustment has been made as of July 1, 2005, to correct receivables from Medicare cost report settlements and receivables from Home Medical Equipment previously recorded prior to July 1, 2005. The effect of the adjustment was to reduce net accounts receivable and net assets reported as of the beginning of the 2006 fiscal year by \$4,960,792, with no effect on reported results of operations for the year.

**VII. OTHER NOTE – DISCRETELY PRESENTED MAURY COUNTY BOARD OF PUBLIC UTILITIES WATER SYSTEM**

**A. Summary of Significant Accounting Policies**

**1. General**

The Maury County Board of Public Utilities Water System is a discrete component unit of Maury County, Tennessee. The system is governed by a Board of Directors appointed by the county mayor and ratified by the County Commission. In addition, the County Commission approves the annual budget of the system.

**2. Accounting Method**

The system generally uses the accrual basis of accounting, except that revenue from water sales is recognized when billed.

The system applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

**3. Organization**

The system is operated as an enterprise fund with self-balancing accounting records. The system does not receive any operating revenues from Maury County, Tennessee.

**4. Utility Plant and Equipment**

The utility plant and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are

capitalized. When items of property or equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts, and any gain or loss is included in income.

**5. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the system considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at June 30, 2006. Restricted assets are not treated as part of the entity's cash and cash equivalents.

**6. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**B. Accounts Receivable**

Customer receivables are composed of the following aged categories:

	<u>Amount</u>
Current billings	\$ 169,545
30 days past due	13,699
60 days past due	2,452
90 days past due	<u>552</u>
Total	<u>\$ 186,248</u>

Bad debts are determined and written off only by direct action of the system's board. A total of \$5,612 was written off for 2006, net of collections of \$5,503 for accounts previously determined to be uncollectible.

**C. Deposits and Investments**

The system is subject to the Tennessee statute, which requires deposits in financial institutions be secured and collateralized by such institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. Collateral requirements are not applicable for financial institutions that participate in the State of Tennessee's collateral pool.

Custodial credit risk is the risk that in the event of a bank failure, the system's deposits may not be returned to it. As of June 30, 2006, all deposits were insured or collateralized.

Investments consist of certificates of deposit with financial institutions with original maturities of over three months and not over one year. The system's policy is to hold these investments to maturity and therefore there is no interest rate risk that will adversely affect the fair value of the investments.

**D. Restricted Assets**

The restricted assets represent investment of construction reserves and customer deposits. The customer deposits are not available for operation of the system and are held in trust. The deposits at June 30, 2006, included \$13,540 for meter deposits of current customers, and \$34,657 on lines under construction at the end of the fiscal year.

**E. Utility Plant, Property, and Equipment**

Major classifications of the utility plant and equipment and their respective depreciable lives are summarized below:

<u>Assets</u>	<u>Years</u>
Water grid and improvements	50-100
Water mains	40
Water towers and stations	40
Water meters	40-50
Casting and valves	40
Other capitalized costs	40
Equipment and fixtures:	
Trucks	5
Small tools and equipment	3-5-10
Office furniture and equipment	5-10

**F. Capital Assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

	Balance 7-1-05	Additions	Retirements	Balance 6-30-06
Capital Assets Not Depreciated:				
Land	\$ 80,888	\$ 50,612	\$ 0	\$ 131,500
Total Capital Assets				
Not Depreciated	\$ 80,888	\$ 50,612	\$ 0	\$ 131,500

	Balance 7-1-05	Additions	Retirements	Balance 6-30-06
Capital Assets				
Depreciated:				
Building	\$ 148,982	\$ 0	\$ 0	\$ 148,982
Water Grid & Improvements	17,167,597	1,774,728	0	18,942,325
Equipment & Fixtures	501,555	78,888	(40,343)	540,100
Total Capital Assets				
Depreciated	\$ 17,818,134	\$ 1,853,616	\$ (40,343)	\$ 19,631,407
Less Accumulated				
Depreciation For:				
Building	\$ 44,185	\$ 4,260	\$ 0	\$ 48,445
Water Grid & Improvements	2,804,579	262,263	0	3,066,842
Equipment & Fixtures	266,336	69,318	(40,059)	295,595
Total Accumulated				
Depreciation	\$ 3,115,100	\$ 335,841	\$ (40,059)	\$ 3,410,882
Total Capital Assets				
Depreciated, Net	\$ 14,703,034	\$ 1,517,775	\$ (284)	\$ 16,220,525
Business-type Activities				
Capital Assets, Net	\$ 14,783,922	\$ 1,568,387	\$ (284)	\$ 16,352,025

The total difference in additions to capital assets of \$1,965,652 shown above (land \$50,612 and depreciable assets \$1,853,616) and the amount reported in the Statement of Cash Flows as “Cash payments for purchase of plant assets” is the decrease in amounts of contracts and retainage payable related to water grid and improvements of \$61,424 and non-cash additions to water grid and improvements of \$561,643.

**G. Accrued Leave**

Accumulated annual leave at June 30, 2006, totals \$13,445. It is the system’s policy to accrue vacation annually for full-time personnel and charge employee benefits. The policy provides two weeks of annual leave for personnel with one to five years continuous county service, three weeks for six to 11 years of service, and increasing amounts up to five weeks for service up to 25 years.

**H. Risk Management**

The system is exposed to losses that could arise from torts; asset theft, damage, or destruction; business interruption; errors or omissions; job-related illnesses or injuries to employees; acts of nature; and accident, health, dental, and other medical benefits to employees. Potential losses are covered by commercial insurance.

The system has not been involved in any litigation during the last four fiscal years.

**I. Commitments**

On May 10, 2005, the Maury County Commission passed resolution Number 04-04-28 allowing the system to seek funding up to \$6.9 million for water system improvements. The system has also approved applications for state revolving and rural development funds to finance this project. As of June 30, 2006, the system has been approved for funding from state revolving funds totaling \$3.6 million for the northwest and southwest portions of the project; with \$175,000 funded from the system. The terms call for a 2.24 percent interest rate and repayment over a 20-year period. Rural Development has approved a funding request of \$2,900,000 that requires \$400,000 of funding by the system.

Related to the above-mentioned project, contracts totaling \$1,567,028 have been approved but not yet begun.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 10,311,652	\$ 0	\$ 0	\$ 10,311,652	\$ 10,085,820	\$ 10,085,820	\$ 225,832
Licenses and Permits	289,967	0	0	289,967	332,000	332,000	(42,033)
Fines, Forfeitures, and Penalties	395,570	0	0	395,570	315,750	315,750	79,820
Charges for Current Services	230,812	0	0	230,812	176,400	176,400	54,412
Other Local Revenues	531,870	0	0	531,870	8,800	420,740	111,130
Fees Received from County Officials	3,011,722	0	0	3,011,722	2,480,000	2,480,000	531,722
State of Tennessee	1,621,772	0	0	1,621,772	1,199,829	1,203,855	417,917
Federal Government	616,872	0	0	616,872	438,069	649,433	(32,561)
Other Governments and Citizens Groups	118,510	0	0	118,510	91,100	91,100	27,410
<b>Total Revenues</b>	<b>\$ 17,128,747</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 17,128,747</b>	<b>\$ 15,127,768</b>	<b>\$ 15,755,098</b>	<b>\$ 1,373,649</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 45,765	\$ 0	\$ 0	\$ 45,765	\$ 55,484	\$ 55,484	\$ 9,719
Board of Equalization	1,354	0	0	1,354	4,306	4,306	2,952
Other Boards and Committees	485	0	0	485	2,153	2,153	1,668
County Mayor/Executive	178,868	0	0	178,868	186,587	186,587	7,719
Personnel Office	234,325	0	13,739	248,064	250,908	250,909	2,845
County Attorney	59,534	0	0	59,534	58,519	60,096	562
Election Commission	182,530	0	0	182,530	190,215	190,215	7,685
Register of Deeds	290,469	0	0	290,469	332,191	332,191	41,722
Development	371,000	0	75	371,075	385,359	385,359	14,284
County Buildings	707,333	(425)	936	707,844	794,421	794,421	86,577
Other General Administration	685,253	0	0	685,253	671,603	695,603	10,350
Preservation of Records	134,938	(3,357)	0	131,581	146,107	146,107	14,526
<u>Finance</u>							
Accounting and Budgeting	423,877	0	4,469	428,346	491,935	478,218	49,872

(Continued)

Exhibit F

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Purchasing	\$ 56,946	\$ 0	\$ 0	\$ 56,946	\$ 62,734	\$ 62,734	\$ 5,788
Property Assessor's Office	514,923	(57,387)	14,384	471,920	552,819	567,247	95,327
Reappraisal Program	174,004	(600)	600	174,004	206,771	206,771	32,767
County Trustee's Office	272,125	0	0	272,125	279,015	279,015	6,890
County Clerk's Office	167,966	0	0	167,966	188,448	178,631	10,665
Data Processing	196,375	0	0	196,375	205,958	205,958	9,583
<u>Administration of Justice</u>							
Circuit Court	872,375	0	0	872,375	930,088	930,088	57,713
General Sessions Court	730,443	0	4,458	734,901	759,584	759,584	24,683
Chancery Court	81,539	0	0	81,539	104,194	99,827	18,288
District Attorney General	73,495	0	0	73,495	72,500	72,500	(995)
<u>Public Safety</u>							
Sheriff's Department	4,346,748	(800)	7	4,345,955	4,774,052	4,729,959	384,004
Jail	2,727,705	(444)	1,399	2,728,660	2,817,331	2,861,424	132,764
Juvenile Services	151,734	0	0	151,734	188,865	191,711	39,977
Civil Defense	92,954	0	0	92,954	95,300	95,300	2,346
Other Emergency Management	189,039	(49,090)	269,778	409,727	421,863	614,705	204,978
County Coroner/Medical Examiner	9,500	0	0	9,500	12,000	12,000	2,500
Public Safety Grant Programs	62,849	0	0	62,849	65,981	70,786	7,937
<u>Public Health and Welfare</u>							
Local Health Center	520,758	0	4,104	524,862	713,880	753,436	228,574
Rabies and Animal Control	219,698	0	0	219,698	196,367	243,559	23,861
Other Local Health Services	170	0	0	170	0	170	0
Regional Mental Health Center	9,000	0	0	9,000	9,000	9,000	0
Appropriation to State	17,812	0	0	17,812	23,750	17,812	0
Other Local Welfare Services	14,561	0	0	14,561	15,000	15,000	439

(Continued)

Exhibit F

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	\$ 33,000	\$ 0	\$ 0	\$ 33,000	\$ 36,000	\$ 36,000	\$ 3,000
Libraries	495,475	0	0	495,475	511,557	511,557	16,082
Parks and Fair Boards	545,200	(17,200)	16,170	544,170	563,119	586,540	42,370
<u>Agriculture &amp; Natural Resources</u>							
Agriculture Extension Service	97,584	0	0	97,584	102,841	102,841	5,257
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	37,353	0	0	37,353	37,498	37,549	196
<u>Other Operations</u>							
Tourism	328,433	0	0	328,433	336,341	336,341	7,908
Industrial Development	154,284	0	0	154,284	158,400	158,400	4,116
Other Economic and Community Development	3,624	0	0	3,624	12,000	12,000	8,376
Airport	30,000	0	0	30,000	30,000	30,000	0
Veterans' Services	60,149	0	0	60,149	57,771	59,002	(1,147)
Other Charges	0	0	0	0	200	200	200
Contributions to Other Agencies	110,968	0	0	110,968	110,966	110,968	0
Employee Benefits	14,072	0	0	14,072	20,280	20,280	6,208
Miscellaneous	272,636	0	0	272,636	253,899	268,899	(3,737)
Total Expenditures	\$ 17,003,228	\$ (129,303)	\$ 330,119	\$ 17,204,044	\$ 18,498,160	\$ 18,831,443	\$ 1,627,399
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 125,519	\$ 129,303	\$ (330,119)	\$ (75,297)	\$ (3,370,392)	\$ (3,076,345)	\$ 3,001,048
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 1,178,068	\$ 0	\$ 0	\$ 1,178,068	\$ 2,078,068	\$ 1,178,068	\$ 0
Transfers Out	0	0	0	0	(503,600)	(3,600)	3,600
Total Other Financing Sources (Uses)	\$ 1,178,068	\$ 0	\$ 0	\$ 1,178,068	\$ 1,574,468	\$ 1,174,468	\$ 3,600
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ 1,303,587	\$ 129,303	\$ (330,119)	\$ 1,102,771	\$ (1,795,924)	\$ (1,901,877)	\$ 3,004,648
	5,116,323	(129,303)	0	4,987,020	5,200,868	5,200,868	(213,848)
Fund Balance, June 30, 2006							
	\$ 6,419,910	\$ 0	\$ (330,119)	\$ 6,089,791	\$ 3,404,944	\$ 3,298,991	\$ 2,790,800

**MAURY COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2006**

**A. BUDGETARY INFORMATION**

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Maury County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor/Executive, County Attorney, etc.). Management may make revisions within major categories, but only the Maury County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

**B. EXPENDITURES EXCEEDED APPROPRIATIONS**

Expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) of the General Fund:

<u>Major Category</u>	<u>Amount Overspent</u>
District Attorney General	\$ 995
Veterans' Services	1,147
Miscellaneous	3,737

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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# Nonmajor Governmental Funds

## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

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Special Purpose Fund – The Special Purpose Fund is used primarily to account for in-lieu-of taxes paid by the Saturn Corporation.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Adequate Facilities/Development Tax Fund – The Adequate Facilities/Development Tax Fund is used to account for the fee assessed on square footage on all new residential and commercial buildings.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county Highway Department.

# Capital Projects Fund

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Exhibit G-1

Maury County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2006

	Special Revenue Funds					Capital Projects Fund	Total Nonmajor Governmental Funds	
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Capital Projects		
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 182,330	\$ 0	\$ 182,330	\$ 0	\$ 182,330
Equity in Pooled Cash and Investments	521,685	92,196	1,709,367	0	1,800,836	4,124,084	3,820,796	7,944,880
Accounts Receivable	0	0	0	2,351	0	2,351	0	2,351
Due from Other Governments	12,705	0	0	0	468,345	481,050	0	481,050
Due from Other Funds	268,335	0	9,401	0	0	277,736	0	277,736
Due from Component Units	0	0	0	0	0	0	154,480	154,480
Property Taxes Receivable	0	0	0	0	1,919,652	1,919,652	0	1,919,652
Allowance for Uncollectible Property Taxes	0	0	0	0	(50,590)	(50,590)	0	(50,590)
Prepaid Items	0	0	0	0	21,909	21,909	0	21,909
Notes Receivable - Current	3,600	0	0	0	0	3,600	0	3,600
Notes Receivable - Long-Term	5,368	0	0	0	0	5,368	0	5,368
<b>Total Assets</b>	<b>\$ 811,693</b>	<b>\$ 92,196</b>	<b>\$ 1,718,768</b>	<b>\$ 184,681</b>	<b>\$ 4,160,152</b>	<b>\$ 6,967,490</b>	<b>\$ 3,975,276</b>	<b>\$ 10,942,766</b>
<u>LIABILITIES AND FUND BALANCES</u>								
<u>Liabilities</u>								
Payroll Deductions Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,017	\$ 24,017	\$ 0	\$ 24,017
Contracts Payable	0	0	0	0	0	0	185,940	185,940
Retainage Payable	0	0	0	0	0	0	21,453	21,453
Due to Other Funds	9,401	0	268,335	2,951	0	280,687	0	280,687
Due to State of Tennessee	0	0	0	0	349	349	0	349
Deferred Revenue - Current Property Taxes	0	0	0	0	1,775,532	1,775,532	0	1,775,532
Deferred Revenue - Delinquent Property Taxes	0	0	0	0	85,984	85,984	0	85,984
Other Deferred Revenues	12,705	0	0	0	222,347	235,052	0	235,052
<b>Total Liabilities</b>	<b>\$ 22,106</b>	<b>\$ 0</b>	<b>\$ 268,335</b>	<b>\$ 2,951</b>	<b>\$ 2,108,229</b>	<b>\$ 2,401,621</b>	<b>\$ 207,393</b>	<b>\$ 2,609,014</b>
<u>Fund Balances</u>								
Reserved for Encumbrances	\$ 53,531	\$ 1,100	\$ 110,742	\$ 0	\$ 69,212	\$ 234,585	\$ 3,540,328	\$ 3,774,913
Reserved for Long-Term Notes Receivable	5,368	0	0	0	0	5,368	0	5,368
Unreserved	730,688	91,096	1,339,691	181,730	1,982,711	4,325,916	227,555	4,553,471
<b>Total Fund Balances</b>	<b>\$ 789,587</b>	<b>\$ 92,196</b>	<b>\$ 1,450,433</b>	<b>\$ 181,730</b>	<b>\$ 2,051,923</b>	<b>\$ 4,565,869</b>	<b>\$ 3,767,883</b>	<b>\$ 8,333,752</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 811,693</b>	<b>\$ 92,196</b>	<b>\$ 1,718,768</b>	<b>\$ 184,681</b>	<b>\$ 4,160,152</b>	<b>\$ 6,967,490</b>	<b>\$ 3,975,276</b>	<b>\$ 10,942,766</b>

Exhibit G-2

Maury County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2006

	Special Revenue Funds						Capital Projects Fund	Total Nonmajor Governmental Funds
	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitu- tional Officers - Fees	Highway / Public Works	Total	General Capital Projects	
<u>Revenues</u>								
Local Taxes	\$ 2,050,634	\$ 0	\$ 1,425,372	\$ 0	\$ 2,045,895	\$ 5,521,901	\$ 0	\$ 5,521,901
Fines, Forfeitures, and Penalties	0	65,364	0	0	0	65,364	0	65,364
Charges for Current Services	0	0	0	741,299	0	741,299	0	741,299
Other Local Revenues	38,650	0	0	0	42,960	81,610	3,130	84,740
State of Tennessee	37,295	0	0	0	2,556,027	2,593,322	1,000,000	3,593,322
Federal Government	208,065	0	0	0	285,224	493,289	0	493,289
Other Governments and Citizens Groups	268,335	0	9,050	0	0	277,385	0	277,385
<b>Total Revenues</b>	<b>\$ 2,602,979</b>	<b>\$ 65,364</b>	<b>\$ 1,434,422</b>	<b>\$ 741,299</b>	<b>\$ 4,930,106</b>	<b>\$ 9,774,170</b>	<b>\$ 1,003,130</b>	<b>\$ 10,777,300</b>
<u>Expenditures</u>								
Current:								
Finance	\$ 215,725	\$ 0	\$ 0	\$ 463,682	\$ 0	\$ 679,407	\$ 0	\$ 679,407
Administration of Justice	0	0	0	256,407	0	256,407	0	256,407
Public Safety	0	62,159	0	0	0	62,159	0	62,159
Social, Cultural, and Recreational Services	79,878	0	0	0	0	79,878	0	79,878
Other Operations	393,785	0	0	0	0	393,785	0	393,785
Highways	0	0	0	0	4,513,355	4,513,355	0	4,513,355
Capital Projects	928,033	0	1,205,196	0	209,317	2,342,546	950,140	3,292,686
<b>Total Expenditures</b>	<b>\$ 1,617,421</b>	<b>\$ 62,159</b>	<b>\$ 1,205,196</b>	<b>\$ 720,089</b>	<b>\$ 4,722,672</b>	<b>\$ 8,327,537</b>	<b>\$ 950,140</b>	<b>\$ 9,277,677</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 985,558	\$ 3,205	\$ 229,226	\$ 21,210	\$ 207,434	\$ 1,446,633	\$ 52,990	\$ 1,499,623
<u>Other Financing Sources (Uses)</u>								
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 332,218	\$ 332,218
Transfers Out	(1,211,318)	0	0	0	0	(1,211,318)	0	(1,211,318)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (1,211,318)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,211,318)</b>	<b>\$ 332,218</b>	<b>\$ (879,100)</b>
Net Change in Fund Balances	\$ (225,760)	\$ 3,205	\$ 229,226	\$ 21,210	\$ 207,434	\$ 235,315	\$ 385,208	\$ 620,523
Fund Balance, July 1, 2005	1,015,347	88,991	1,221,207	160,520	1,844,489	4,330,554	3,382,675	7,713,229
<b>Fund Balance, June 30, 2006</b>	<b>\$ 789,587</b>	<b>\$ 92,196</b>	<b>\$ 1,450,433</b>	<b>\$ 181,730</b>	<b>\$ 2,051,923</b>	<b>\$ 4,565,869</b>	<b>\$ 3,767,883</b>	<b>\$ 8,333,752</b>

Exhibit G-3

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Special Purpose Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,050,634	\$ 0	\$ 0	\$ 2,050,634	\$ 2,145,737	\$ 2,145,737	\$ (95,103)
Other Local Revenues	38,650	0	0	38,650	19,600	19,755	18,895
State of Tennessee	37,295	0	0	37,295	359,995	151,930	(114,635)
Federal Government	208,065	0	0	208,065	0	208,065	0
Other Governments and Citizens Groups	268,335	0	0	268,335	0	0	268,335
<b>Total Revenues</b>	<b>\$ 2,602,979</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,602,979</b>	<b>\$ 2,525,332</b>	<b>\$ 2,525,487</b>	<b>\$ 77,492</b>
<u>Expenditures</u>							
<u>Finance</u>							
Data Processing	\$ 215,725	\$ (1,700)	\$ 85	\$ 214,110	\$ 269,772	\$ 269,927	\$ 55,817
<u>Social, Cultural, and Recreational Services</u>							
Parks and Fair Boards	79,878	0	0	79,878	25,000	87,500	7,622
<u>Other Operations</u>							
Contributions to Other Agencies	50,692	0	0	50,692	86,000	86,800	36,108
Payments to Cities	256,932	0	0	256,932	256,932	256,932	0
Miscellaneous	86,161	(1,122)	13,167	98,206	255,000	255,000	156,794
<u>Capital Projects</u>							
General Administration Projects	928,033	(230,560)	40,279	737,752	811,000	830,500	92,748
<b>Total Expenditures</b>	<b>\$ 1,617,421</b>	<b>\$ (233,382)</b>	<b>\$ 53,531</b>	<b>\$ 1,437,570</b>	<b>\$ 1,703,704</b>	<b>\$ 1,786,659</b>	<b>\$ 349,089</b>
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 985,558	\$ 233,382	\$ (53,531)	\$ 1,165,409	\$ 821,628	\$ 738,828	\$ 426,581
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (1,211,318)	\$ 0	\$ 0	\$ (1,211,318)	\$ (1,211,318)	\$ (1,211,318)	\$ 0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (1,211,318)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,211,318)</b>	<b>\$ (1,211,318)</b>	<b>\$ (1,211,318)</b>	<b>\$ 0</b>
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2005	\$ (225,760)	\$ 233,382	\$ (53,531)	\$ (45,909)	\$ (389,690)	\$ (472,490)	\$ 426,581
	1,015,347	(233,382)	0	781,965	715,103	715,103	66,862
<b>Fund Balance, June 30, 2006</b>	<b>\$ 789,587</b>	<b>\$ 0</b>	<b>\$ (53,531)</b>	<b>\$ 736,056</b>	<b>\$ 325,413</b>	<b>\$ 242,613</b>	<b>\$ 493,443</b>

Exhibit G-4

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Drug Control Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 65,364	\$ 0	\$ 65,364	\$ 54,000	\$ 54,000	\$ 11,364
Total Revenues	\$ 65,364	\$ 0	\$ 65,364	\$ 54,000	\$ 54,000	\$ 11,364
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 62,159	\$ 1,100	\$ 63,259	\$ 72,625	\$ 72,625	\$ 9,366
Total Expenditures	\$ 62,159	\$ 1,100	\$ 63,259	\$ 72,625	\$ 72,625	\$ 9,366
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,205	\$ (1,100)	\$ 2,105	\$ (18,625)	\$ (18,625)	\$ 20,730
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 3,600	\$ 3,600	\$ (3,600)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 3,600	\$ 3,600	\$ (3,600)
Net Change in Fund Balance	\$ 3,205	\$ (1,100)	\$ 2,105	\$ (15,025)	\$ (15,025)	\$ 17,130
Fund Balance, July 1, 2005	88,991	0	88,991	43,933	43,933	45,058
Fund Balance, June 30, 2006	\$ 92,196	\$ (1,100)	\$ 91,096	\$ 28,908	\$ 28,908	\$ 62,188

Exhibit G-5

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Adequate Facilities/Development Tax Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,425,372	\$ 0	\$ 0	\$ 1,425,372	\$ 900,000	\$ 900,000	\$ 525,372
State of Tennessee	0	0	0	0	0	268,335	(268,335)
Other Governments and Citizens Groups	9,050	0	0	9,050	0	0	9,050
<b>Total Revenues</b>	<b>\$ 1,434,422</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,434,422</b>	<b>\$ 900,000</b>	<b>\$ 1,168,335</b>	<b>\$ 266,087</b>
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 160,189	\$ 0	\$ 0	\$ 160,189	\$ 5,000	\$ 325,856	\$ 165,667
Social, Cultural, and Recreation Projects	130,386	(93,985)	1,544	37,945	153,000	168,370	130,425
Other General Government Projects	2,074	0	0	2,074	0	30,000	27,926
Highway & Street Capital Projects	673,363	0	109,198	782,561	783,926	783,926	1,365
Education Capital Projects	239,184	(239,184)	0	0	52,000	52,000	52,000
<b>Total Expenditures</b>	<b>\$ 1,205,196</b>	<b>\$ (333,169)</b>	<b>\$ 110,742</b>	<b>\$ 982,769</b>	<b>\$ 993,926</b>	<b>\$ 1,360,152</b>	<b>\$ 377,383</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 229,226	\$ 333,169	\$ (110,742)	\$ 451,653	\$ (93,926)	\$ (191,817)	\$ 643,470
Net Change in Fund Balance	\$ 229,226	\$ 333,169	\$ (110,742)	\$ 451,653	\$ (93,926)	\$ (191,817)	\$ 643,470
Fund Balance, July 1, 2005	1,221,207	(333,169)	0	888,038	1,290,099	1,290,099	(402,061)
<b>Fund Balance, June 30, 2006</b>	<b>\$ 1,450,433</b>	<b>\$ 0</b>	<b>\$ (110,742)</b>	<b>\$ 1,339,691</b>	<b>\$ 1,196,173</b>	<b>\$ 1,098,282</b>	<b>\$ 241,409</b>

Exhibit G-6

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,045,895	\$ 0	\$ 0	\$ 2,045,895	\$ 1,998,460	\$ 1,998,460	\$ 47,435
Other Local Revenues	42,960	0	0	42,960	0	51,688	(8,728)
State of Tennessee	2,556,027	0	0	2,556,027	2,655,393	2,655,393	(99,366)
Federal Government	285,224	0	0	285,224	0	222,061	63,163
<b>Total Revenues</b>	<b>\$ 4,930,106</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,930,106</b>	<b>\$ 4,653,853</b>	<b>\$ 4,927,602</b>	<b>\$ 2,504</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 183,481	\$ 0	\$ 0	\$ 183,481	\$ 234,560	\$ 186,770	\$ 3,289
Highway and Bridge Maintenance	2,616,316	(45,189)	25,200	2,596,327	2,648,577	2,894,355	298,028
Operation and Maintenance of Equipment	763,018	0	0	763,018	804,000	785,981	22,963
Other Charges	486,266	0	0	486,266	468,335	493,319	7,053
Employee Benefits	2,322	0	0	2,322	8,500	2,500	178
Capital Outlay	461,952	(68,862)	44,012	437,102	808,479	883,276	446,174
<u>Capital Projects</u>							
Highway & Street Capital Projects	209,317	0	0	209,317	348,000	348,000	138,683
<b>Total Expenditures</b>	<b>\$ 4,722,672</b>	<b>\$ (114,051)</b>	<b>\$ 69,212</b>	<b>\$ 4,677,833</b>	<b>\$ 5,320,451</b>	<b>\$ 5,594,201</b>	<b>\$ 916,368</b>
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 207,434	\$ 114,051	\$ (69,212)	\$ 252,273	\$ (666,598)	\$ (666,599)	\$ 918,872
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ 1,844,489	(114,051)	0	1,730,438	1,779,906	1,779,906	(49,468)
<b>Fund Balance, June 30, 2006</b>	<b>\$ 2,051,923</b>	<b>\$ 0</b>	<b>\$ (69,212)</b>	<b>\$ 1,982,711</b>	<b>\$ 1,113,308</b>	<b>\$ 1,113,307</b>	<b>\$ 869,404</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

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Exhibit H

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,510,375	\$ 5,966,933	\$ 5,966,933	\$ 543,442
Other Local Revenues	1,590,976	325,000	824,705	766,271
State of Tennessee	670,454	475,000	475,000	195,454
Federal Government	207	0	0	207
Other Governments and Citizens Groups	125,000	0	125,000	0
Total Revenues	<u>\$ 8,897,012</u>	<u>\$ 6,766,933</u>	<u>\$ 7,391,638</u>	<u>\$ 1,505,374</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 842,051	\$ 842,051	\$ 842,051	\$ 0
Highways and Streets	570,775	570,775	570,775	0
Education	3,485,206	3,195,206	3,485,206	0
<u>Interest on Debt</u>				
General Government	302,179	302,179	302,179	0
Highways and Streets	73,830	73,830	73,830	0
Education	1,604,583	1,300,306	1,604,583	0
<u>Other Debt Service</u>				
General Government	126,133	924,482	165,000	38,867
Total Expenditures	<u>\$ 7,004,757</u>	<u>\$ 7,208,829</u>	<u>\$ 7,043,624</u>	<u>\$ 38,867</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,892,255</u>	<u>\$ (441,896)</u>	<u>\$ 348,014</u>	<u>\$ 1,544,241</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 759,482	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 759,482</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,892,255	\$ 317,586	\$ 348,014	\$ 1,544,241
Fund Balance, July 1, 2005	7,205,498	7,836,656	7,836,656	(631,158)
Fund Balance, June 30, 2006	<u>\$ 9,097,753</u>	<u>\$ 8,154,242</u>	<u>\$ 8,184,670</u>	<u>\$ 913,083</u>

# Fiduciary Funds

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Agency Funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit J-1

Maury County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2006

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,609,614	\$ 1,609,614
Investments	0	35,404	35,404
Due from Other Governments	1,453,095	0	1,453,095
Total Assets	<u>\$ 1,453,095</u>	<u>\$ 1,645,018</u>	<u>\$ 3,098,113</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 1,453,095	\$ 0	\$ 1,453,095
Due to Litigants, Heirs, and Others	0	1,645,018	1,645,018
Total Liabilities	<u>\$ 1,453,095</u>	<u>\$ 1,645,018</u>	<u>\$ 3,098,113</u>

## Exhibit J-2

Maury County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2006

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 8,036,399	\$ 8,036,399	\$ 0
Due from Other Governments	1,328,585	1,453,095	1,328,585	1,453,095
Total Assets	\$ 1,328,585	\$ 9,489,494	\$ 9,364,984	\$ 1,453,095
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,328,585	\$ 9,489,494	\$ 9,364,984	\$ 1,453,095
Total Liabilities	\$ 1,328,585	\$ 9,489,494	\$ 9,364,984	\$ 1,453,095
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,663,859	\$ 16,233,597	\$ 16,287,842	\$ 1,609,614
Investments	35,217	187	0	35,404
Total Assets	\$ 1,699,076	\$ 16,233,784	\$ 16,287,842	\$ 1,645,018
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,699,076	\$ 16,233,784	\$ 16,287,842	\$ 1,645,018
Total Liabilities	\$ 1,699,076	\$ 16,233,784	\$ 16,287,842	\$ 1,645,018
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 8,036,399	\$ 8,036,399	\$ 0
Cash	1,663,859	16,233,597	16,287,842	1,609,614
Due from Other Governments	1,328,585	1,453,095	1,328,585	1,453,095
Investments	35,217	187	0	35,404
Total Assets	\$ 3,027,661	\$ 25,723,278	\$ 25,652,826	\$ 3,098,113
<u>Totals - All Agency Funds</u>				
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,328,585	\$ 9,489,494	\$ 9,364,984	\$ 1,453,095
Due to Litigants, Heirs, and Others	1,699,076	16,233,784	16,287,842	1,645,018
Total Liabilities	\$ 3,027,661	\$ 25,723,278	\$ 25,652,826	\$ 3,098,113

# Proprietary Funds

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Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the county, or other governments, on a cost-reimbursed basis.

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Central Maintenance/Garage Fund – The Central Maintenance/Garage Fund is used to account for the county's central vehicle maintenance program.

Employee Insurance - Prescriptions Fund – The Employee Insurance - Prescriptions Fund is used to account for the county's self-insured prescription drugs program.

Exhibit I-1

Maury County, Tennessee  
Combining Statement of Net Assets  
Proprietary Funds  
June 30, 2006

Governmental Activities - Internal Service Funds			
Central Maintenance/ Garage	Employee Insurance - Prescriptions		Total

ASSETS

Current Assets:

Equity in Pooled Cash and Investments	\$ 68,786	\$ 5,178	\$ 73,964
Accounts Receivable	29,327	0	29,327
Prepaid Items	3,489	0	3,489
Total Current Assets	<u>\$ 101,602</u>	<u>\$ 5,178</u>	<u>\$ 106,780</u>

Noncurrent Assets:

Capital Assets (Net of Accumulated Depreciation):

Land	\$ 25,000	\$ 0	\$ 25,000
Buildings and Improvements	59,040	0	59,040
Machinery and Equipment	8,031	0	8,031
Total Noncurrent Assets	<u>\$ 92,071</u>	<u>\$ 0</u>	<u>\$ 92,071</u>

Total Assets

Total Assets	<u>\$ 193,673</u>	<u>\$ 5,178</u>	<u>\$ 198,851</u>
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LIABILITIES

Current Liabilities:

Payroll Deductions Payable	\$ 4,486	\$ 0	\$ 4,486
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NET ASSETS

Invested in Capital Assets	\$ 92,071	\$ 0	\$ 92,071
Unrestricted	97,116	5,178	102,294
Total Net Assets	<u>\$ 189,187</u>	<u>\$ 5,178</u>	<u>\$ 194,365</u>

Exhibit I-2

Maury County, Tennessee  
Combining Statement of Revenues, Expenses, and  
Changes in Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2006

	<u>Governmental Activities -</u> <u>Internal Service Funds</u>		
	<u>Central</u>	<u>Employee</u>	
	<u>Maintenance/</u>	<u>Insurance -</u>	
	<u>Garage</u>	<u>Prescriptions</u>	<u>Total</u>
<u>Operating Revenues</u>			
Charges for Current Services	\$ 1,682,855	\$ 256,715	\$ 1,939,570
Other Local Revenues	1,514	0	1,514
Total Operating Revenues	<u>\$ 1,684,369</u>	<u>\$ 256,715</u>	<u>\$ 1,941,084</u>
<u>Operating Expenses</u>			
Other General Administration	\$ 1,718,333	\$ 0	\$ 1,718,333
Other Operations	0	271,660	271,660
Depreciation and Amortization Expense	4,828	0	4,828
Total Operating Expenses	<u>\$ 1,723,161</u>	<u>\$ 271,660</u>	<u>\$ 1,994,821</u>
Operating Income (Loss)	<u>\$ (38,792)</u>	<u>\$ (14,945)</u>	<u>\$ (53,737)</u>
Income (Loss) Before Transfers	\$ (38,792)	\$ (14,945)	\$ (53,737)
Transfers In (Out)	<u>33,250</u>	<u>0</u>	<u>33,250</u>
Change in Net Assets	\$ (5,542)	\$ (14,945)	\$ (20,487)
Net Assets, July 1, 2005	<u>194,729</u>	<u>20,123</u>	<u>214,852</u>
Nets Assets, June 30, 2006	<u>\$ 189,187</u>	<u>\$ 5,178</u>	<u>\$ 194,365</u>

Exhibit I-3

Maury County, Tennessee  
Combining Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2006

	Governmental Activities - Internal Service Funds		
	Central Maintenance/ Garage	Employee Insurance - Prescriptions	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from Customers and Users	\$ 1,669,215	\$ 256,715	\$ 1,925,930
Other Cash Receipts (Payments)	1,514	0	1,514
Central Maintenance Garage Activity - Uses	(1,717,174)	(291,821)	(2,008,995)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (46,445)</u>	<u>\$ (35,106)</u>	<u>\$ (81,551)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Acquisition of Capital Assets	\$ (8,454)	\$ 0	\$ (8,454)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (8,454)</u>	<u>\$ 0</u>	<u>\$ (8,454)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Operating Transfers In	\$ 33,250	\$ 0	\$ 33,250
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 33,250</u>	<u>\$ 0</u>	<u>\$ 33,250</u>
Net Increase (Decrease) in Cash	\$ (21,649)	\$ (35,106)	\$ (56,755)
Cash, July 1, 2005	90,435	40,284	130,719
Cash, June 30, 2006	<u>\$ 68,786</u>	<u>\$ 5,178</u>	<u>\$ 73,964</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS)</u> <u>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ (38,792)	\$ (14,945)	\$ (53,737)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation and Amortization Expense	4,828	0	4,828
(Increase) Decrease in Accounts Receivable	(13,596)	0	(13,596)
(Increase) Decrease in Prepaid Items	(44)	0	(44)
Increase (Decrease) in Claims and Judgments Payable	0	(20,161)	(20,161)
Increase (Decrease) in Payroll Deductions Payable	1,159	0	1,159
Net Cash Provided By (Used In) Operating Activities	<u>\$ (46,445)</u>	<u>\$ (35,106)</u>	<u>\$ (81,551)</u>

# Maury County School Department

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This section presents fund financial statements for the Maury County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, and one Capital Projects Fund.

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General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Exhibit K-1

Maury County, Tennessee  
Statement of Activities  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Component Unit:					
Governmental Activities:					
Instruction	\$ 51,273,536	\$ 147,106	\$ 5,889,656	\$ 0	\$ (45,236,774)
Support Services	24,478,406	226,246	130,283	16,389,788	(7,732,089)
Operation of Non-Instructional Services	4,915,822	2,568,290	2,826,538	0	479,006
Interest on Long-term Debt	51,975	0	0	0	(51,975)
Other Debt Service	125,000	0	0	0	(125,000)
<b>Total Governmental Activities</b>	<b>\$ 80,844,739</b>	<b>\$ 2,941,642</b>	<b>\$ 8,846,477</b>	<b>\$ 16,389,788</b>	<b>\$ (52,666,832)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 18,065,024
Local Option Sales Tax					9,416,622
Other Local Taxes					13,317
Grants and Contributions Not Restricted for Specific Programs					40,290,370
Unrestricted Investment Earnings					39,077
Miscellaneous					153,946
<b>Total General Revenues</b>					<b>\$ 67,978,356</b>
Change in Net Assets					\$ 15,311,524
Net Assets, July 1, 2005					80,441,849
Net Assets, June 30, 2006					<b>\$ 95,753,373</b>

## Exhibit K-2

Maury County, Tennessee  
 Balance Sheet - Governmental Funds  
 Discretely Presented Maury County School Department  
 June 30, 2006

	Major Funds		Nonmajor Funds	Total Govern- mental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 6,934	\$ 6,934
Equity in Pooled Cash and Investments	1,416,080	6,056,527	1,433,260	8,905,867
Accounts Receivable	34,993	0	13,948	48,941
Due from Other Governments	2,352,649	0	669,390	3,022,039
Due from Other Funds	263,557	0	2,065	265,622
Property Taxes Receivable	18,179,849	0	0	18,179,849
Allowance for Uncollectible Property Taxes	(481,317)	0	0	(481,317)
Total Assets	\$ 21,765,811	\$ 6,056,527	\$ 2,125,597	\$ 29,947,935
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Contracts Payable	\$ 0	\$ 2,027,252	\$ 0	\$ 2,027,252
Retainage Payable	0	180,818	0	180,818
Due to Other Funds	2,065	0	263,557	265,622
Due to Primary Government	0	154,480	0	154,480
Deferred Revenue - Current Property Taxes	16,804,145	0	0	16,804,145
Deferred Revenue - Delinquent Property Taxes	822,223	0	0	822,223
Other Deferred Revenues	1,201,668	0	0	1,201,668
Total Liabilities	\$ 18,830,101	\$ 2,362,550	\$ 263,557	\$ 21,456,208
<u>Fund Balances</u>				
Reserved for Encumbrances	\$ 356,895	\$ 3,313,890	\$ 290,345	\$ 3,961,130
Reserved for Career Ladder - Extended Contract	70,486	0	0	70,486
Reserved for Career Ladder Program	33,340	0	0	33,340
Reserved for Title I Grants to Local Education Agencies	0	0	26,525	26,525
Reserved for Innovative Education Program Strategies	0	0	1,686	1,686
Other Federal Reserves	0	0	85,736	85,736
Unreserved, Reported In:				
General Fund	2,474,989	0	0	2,474,989
Special Revenue Funds	0	0	1,457,748	1,457,748
Capital Projects Funds	0	380,087	0	380,087
Total Fund Balances	\$ 2,935,710	\$ 3,693,977	\$ 1,862,040	\$ 8,491,727
Total Liabilities and Fund Balances	\$ 21,765,811	\$ 6,056,527	\$ 2,125,597	\$ 29,947,935

Exhibit K-3

Maury County, Tennessee  
Discretely Presented Maury County School Department  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Assets  
June 30, 2006

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit K-2)		\$	8,491,727
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,432,200	
Add: construction in progress		25,937,111	
Add: building and improvements net of accumulated depreciation		58,321,664	
Add: other capital assets net of accumulated depreciation		<u>2,128,183</u>	88,819,158
(2) Compensated absences payable are not due in the current period and therefore are not reported in the funds.			(3,581,403)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			<u>2,023,891</u>
Net assets of governmental activities (Exhibit A)		\$	<u>95,753,373</u>

Exhibit K-4

Maury County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2006

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Funds Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 26,908,822	\$ 0	\$ 0	\$ 26,908,822
Licenses and Permits	5,387	0	0	5,387
Charges for Current Services	262,449	0	2,568,040	2,830,489
Other Local Revenues	322,022	0	66,654	388,676
State of Tennessee	39,744,204	0	58,114	39,802,318
Federal Government	609,255	0	8,346,639	8,955,894
Other Governments and Citizens Groups	0	16,089,539	0	16,089,539
Total Revenues	<u>\$ 67,852,139</u>	<u>\$ 16,089,539</u>	<u>\$ 11,039,447</u>	<u>\$ 94,981,125</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 44,541,309	\$ 0	\$ 4,429,216	\$ 48,970,525
Support Services	22,728,878	0	1,347,679	24,076,557
Operation of Non-Instructional Services	0	0	4,597,618	4,597,618
Capital Outlay	165,226	0	0	165,226
Debt Service:				
Interest on Debt	51,975	0	0	51,975
Other Debt Service	125,000	0	0	125,000
Capital Projects	0	19,341,467	0	19,341,467
Total Expenditures	<u>\$ 67,612,388</u>	<u>\$ 19,341,467</u>	<u>\$ 10,374,513</u>	<u>\$ 97,328,368</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ 239,751</u>	<u>\$ (3,251,928)</u>	<u>\$ 664,934</u>	<u>\$ (2,347,243)</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 133,701	\$ 0	\$ 0	\$ 133,701
Transfers Out	0	0	(133,701)	(133,701)
Total Other Financing Sources (Uses)	<u>\$ 133,701</u>	<u>\$ 0</u>	<u>\$ (133,701)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 373,452	\$ (3,251,928)	\$ 531,233	\$ (2,347,243)
Fund Balance, July 1, 2005	<u>2,562,258</u>	<u>6,945,905</u>	<u>1,330,807</u>	<u>10,838,970</u>
Fund Balance, June 30, 2006	<u>\$ 2,935,710</u>	<u>\$ 3,693,977</u>	<u>\$ 1,862,040</u>	<u>\$ 8,491,727</u>

Exhibit K-5

Maury County, Tennessee  
Discretely Presented Maury County School Department  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit K-4)		\$ (2,347,243)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 19,813,800	
Less: current year depreciation expense	<u>(3,024,775)</u>	16,789,025
(2) Donated capital assets do not generate current financial resources and are therefore not recognized in the governmental funds. This adjustment reflects capital assets donated during the current period.		300,249
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2005	\$ (1,376,473)	
Add: deferred delinquent property taxes and other deferred June 30, 2006	<u>2,023,891</u>	647,418
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences		<u>(77,925)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 15,311,524</u>

Exhibit K-6

Maury County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Maury County School Department  
June 30, 2006

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 6,934	\$ 6,934
Equity in Pooled Cash and Investments	29,925	1,403,335	1,433,260
Accounts Receivable	0	13,948	13,948
Due from Other Governments	635,859	33,531	669,390
Due from Other Funds	2,065	0	2,065
Total Assets	<u>\$ 667,849</u>	<u>\$ 1,457,748</u>	<u>\$ 2,125,597</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Due to Other Funds	\$ 263,557	\$ 0	\$ 263,557
Total Liabilities	<u>\$ 263,557</u>	<u>\$ 0</u>	<u>\$ 263,557</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 290,345	\$ 0	\$ 290,345
Reserved for Title I Grants to Local Education Agencies	26,525	0	26,525
Reserved for Innovative Education Program Strategies	1,686	0	1,686
Other Federal Reserves	85,736	0	85,736
Unreserved	0	1,457,748	1,457,748
Total Fund Balances	<u>\$ 404,292</u>	<u>\$ 1,457,748</u>	<u>\$ 1,862,040</u>
Total Liabilities and Fund Balances	<u>\$ 667,849</u>	<u>\$ 1,457,748</u>	<u>\$ 2,125,597</u>

Exhibit K-7

Maury County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2006

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 2,568,040	\$ 2,568,040
Other Local Revenues	0	66,654	66,654
State of Tennessee	0	58,114	58,114
Federal Government	6,120,790	2,225,849	8,346,639
Total Revenues	<u>\$ 6,120,790</u>	<u>\$ 4,918,657</u>	<u>\$ 11,039,447</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,429,216	\$ 0	\$ 4,429,216
Support Services	1,301,679	46,000	1,347,679
Operation of Non-Instructional Services	0	4,597,618	4,597,618
Total Expenditures	<u>\$ 5,730,895</u>	<u>\$ 4,643,618</u>	<u>\$ 10,374,513</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 389,895</u>	<u>\$ 275,039</u>	<u>\$ 664,934</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (133,701)	\$ 0	\$ (133,701)
Total Other Financing Sources (Uses)	<u>\$ (133,701)</u>	<u>\$ 0</u>	<u>\$ (133,701)</u>
Net Change in Fund Balances	\$ 256,194	\$ 275,039	\$ 531,233
Fund Balance, July 1, 2005	148,098	1,182,709	1,330,807
Fund Balance, June 30, 2006	<u>\$ 404,292</u>	<u>\$ 1,457,748</u>	<u>\$ 1,862,040</u>

Exhibit K-8

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Maury County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 26,908,822	\$ 0	\$ 0	\$ 26,908,822	\$ 26,177,673	\$ 26,189,673	\$ 719,149
Licenses and Permits	5,387	0	0	5,387	7,000	7,000	(1,613)
Charges for Current Services	262,449	0	0	262,449	234,121	234,121	28,328
Other Local Revenues	322,022	0	0	322,022	31,500	324,533	(2,511)
State of Tennessee	39,744,204	0	0	39,744,204	39,789,597	40,118,113	(373,909)
Federal Government	609,255	0	0	609,255	872,800	1,254,960	(645,705)
Total Revenues	\$ 67,852,139	\$ 0	\$ 0	\$ 67,852,139	\$ 67,112,691	\$ 68,128,400	\$ (276,261)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 36,073,944	\$ (5,850)	\$ 144,243	\$ 36,212,337	\$ 36,390,220	\$ 36,517,909	\$ 305,572
Alternative Instruction Program	162,197	0	0	162,197	192,035	192,035	29,838
Special Education Program	6,102,515	(1,052)	16,560	6,118,023	6,066,102	6,143,856	25,833
Vocational Education Program	2,202,653	(6,910)	8,624	2,204,367	2,231,208	2,248,658	44,291
<u>Support Services</u>							
Attendance	400,753	(7,093)	463	394,123	403,628	411,938	17,815
Health Services	224,423	(292)	980	225,111	223,041	226,414	1,303
Other Student Support	1,442,276	0	2,698	1,444,974	1,446,112	1,461,373	16,399
Regular Instruction Program	2,647,157	(3,432)	85,364	2,729,089	2,521,115	2,852,470	123,381
Alternative Instruction Program	144,040	0	0	144,040	159,968	161,968	17,928
Special Education Program	887,107	(60)	1,963	889,010	896,132	906,132	17,122
Vocational Education Program	151,279	(231)	6,948	157,996	129,639	163,689	5,693
Board of Education	1,453,928	(3,428)	4,919	1,455,419	1,527,087	1,550,033	94,614
Director of Schools	222,963	(137)	130	222,956	209,564	228,099	5,143
Office of the Principal	4,359,876	(180)	427	4,360,123	4,411,503	4,411,503	51,380
Fiscal Services	403,414	(1,387)	24,274	426,301	461,630	450,856	24,555

(Continued)

Exhibit K-8

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Maury County School Department  
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2005	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 5,100,384	\$ 0	\$ 15,122	\$ 5,115,506	\$ 4,774,196	\$ 5,134,152	\$ 18,646
Maintenance of Plant	1,604,657	(569,535)	34,521	1,069,643	1,151,407	1,136,407	66,764
Transportation	2,965,241	0	9,581	2,974,822	3,048,448	3,058,448	83,626
Central and Other	721,380	0	78	721,458	712,755	715,155	(6,303)
<u>Capital Outlay</u>							
Regular Capital Outlay	165,226	0	0	165,226	183,901	251,825	86,599
<u>Interest on Debt</u>							
Education	51,975	0	0	51,975	0	51,975	0
<u>Other Debt Service</u>							
Education	125,000	0	0	125,000	0	125,000	0
Total Expenditures	<u>\$ 67,612,388</u>	<u>\$ (599,587)</u>	<u>\$ 356,895</u>	<u>\$ 67,369,696</u>	<u>\$ 67,139,691</u>	<u>\$ 68,399,895</u>	<u>\$ 1,030,199</u>
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 239,751	\$ 599,587	\$ (356,895)	\$ 482,443	\$ (27,000)	\$ (271,495)	\$ 753,938
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,000	\$ 814	\$ (814)
Transfers In	133,701	0	0	133,701	20,000	27,000	106,701
Transfers Out	0	0	0	0	0	(7,330)	7,330
Total Other Financing Sources (Uses)	<u>\$ 133,701</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 133,701</u>	<u>\$ 27,000</u>	<u>\$ 20,484</u>	<u>\$ 113,217</u>
Net Change in Fund Balance							
Fund Balance, July 1, 2005	\$ 373,452	\$ 599,587	\$ (356,895)	\$ 616,144	\$ 0	\$ (251,011)	\$ 867,155
	<u>2,562,258</u>	<u>(599,587)</u>	<u>0</u>	<u>1,962,671</u>	<u>1,186,276</u>	<u>1,186,276</u>	<u>776,395</u>
Fund Balance, June 30, 2006	<u>\$ 2,935,710</u>	<u>\$ 0</u>	<u>\$ (356,895)</u>	<u>\$ 2,578,815</u>	<u>\$ 1,186,276</u>	<u>\$ 935,265</u>	<u>\$ 1,643,550</u>

Exhibit K-9

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Maury County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2006

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2006	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 6,120,790	\$ 0	\$ 6,120,790	\$ 3,508,925	\$ 7,585,522	\$ (1,464,732)
Total Revenues	\$ 6,120,790	\$ 0	\$ 6,120,790	\$ 3,508,925	\$ 7,585,522	\$ (1,464,732)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,131,847	\$ 2,208	\$ 2,134,055	\$ 2,350,626	\$ 2,402,016	\$ 267,961
Special Education Program	2,100,225	228,502	2,328,727	0	2,768,786	440,059
Vocational Education Program	197,144	51,899	249,043	248,725	249,043	0
<u>Support Services</u>						
Other Student Support	39,040	2,490	41,530	49,500	49,500	7,970
Regular Instruction Program	615,919	2,106	618,025	835,054	907,249	289,224
Special Education Program	282,926	2,840	285,766	0	358,738	72,972
Maintenance of Plant	0	300	300	5,000	5,000	4,700
Transportation	363,794	0	363,794	0	702,335	338,541
Total Expenditures	\$ 5,730,895	\$ 290,345	\$ 6,021,240	\$ 3,488,905	\$ 7,442,667	\$ 1,421,427
Excess (Deficiency) of Revenues Over Expenditures	\$ 389,895	\$ (290,345)	\$ 99,550	\$ 20,020	\$ 142,855	\$ (43,305)
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (133,701)	\$ 0	\$ (133,701)	\$ (20,000)	\$ (142,855)	\$ 9,154
Total Other Financing Sources (Uses)	\$ (133,701)	\$ 0	\$ (133,701)	\$ (20,000)	\$ (142,855)	\$ 9,154
Net Change in Fund Balance	\$ 256,194	\$ (290,345)	\$ (34,151)	\$ 20	\$ 0	\$ (34,151)
Fund Balance, July 1, 2005	148,098	0	148,098	0	0	148,098
Fund Balance, June 30, 2006	\$ 404,292	\$ (290,345)	\$ 113,947	\$ 20	\$ 0	\$ 113,947

Exhibit K-10

Maury County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Maury County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2006

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 2,568,040	\$ 2,426,500	\$ 2,426,500	\$ 141,540
Other Local Revenues	66,654	26,952	26,952	39,702
State of Tennessee	58,114	54,800	54,800	3,314
Federal Government	2,225,849	2,005,772	2,005,772	220,077
Total Revenues	<u>\$ 4,918,657</u>	<u>\$ 4,514,024</u>	<u>\$ 4,514,024</u>	<u>\$ 404,633</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 46,000	\$ 46,000	\$ 46,000	\$ 0
<u>Operation of Non-Instructional Services</u>				
Food Service	4,597,618	4,772,092	5,010,092	412,474
Total Expenditures	<u>\$ 4,643,618</u>	<u>\$ 4,818,092</u>	<u>\$ 5,056,092</u>	<u>\$ 412,474</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 275,039</u>	<u>\$ (304,068)</u>	<u>\$ (542,068)</u>	<u>\$ 817,107</u>
Net Change in Fund Balance	\$ 275,039	\$ (304,068)	\$ (542,068)	\$ 817,107
Fund Balance, July 1, 2005	<u>1,182,709</u>	<u>1,206,008</u>	<u>1,206,008</u>	<u>(23,299)</u>
Fund Balance, June 30, 2006	<u>\$ 1,457,748</u>	<u>\$ 901,940</u>	<u>\$ 663,940</u>	<u>\$ 793,808</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit L-1

Maury County, Tennessee  
Schedule of Changes in Long-term Notes, Capital Leases, and Bonds  
For the Year Ended June 30, 2006

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-05	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-06
<b><u>NOTES PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
Asbestos Removal - EPA #1	\$ 349,599	0	% 7-28-1986	7-28-06	\$ 9,712	\$ 0	\$ 9,712	\$ 0
Asbestos Removal - EPA #2	240,499	0	6-11-1987	6-11-07	20,042	0	13,361	6,681
County Buildings, Roads and Bridges, Landfill, Schools, Real and Personal Property Acquisition	3,945,000	2.7 to 5	1-1-1994	7-1-05	410,000	0	410,000	0
County Equipment, Highway, School Buses	1,840,000	2.26	9-22-03	12-28-06	1,226,667	0	613,333	613,334
County Buildings, Equipment, Vehicles, School Renovations	2,000,000	3.69	12-28-05	12-28-08	0	2,000,000	0	2,000,000
Total Notes Payable					<u>\$ 1,666,421</u>	<u>\$ 2,000,000</u>	<u>\$ 1,046,406</u>	<u>\$ 2,620,015</u>
<b><u>CAPITAL LEASES PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
School Computers	355,632	5.549	6-1-06	6-1-08	\$ 0	\$ 355,632	\$ 125,000	\$ 230,632
Total Capital Leases Payable					<u>\$ 0</u>	<u>\$ 355,632</u>	<u>\$ 125,000</u>	<u>\$ 230,632</u>
<b><u>BONDS PAYABLE</u></b>								
<u>Payable through General Debt Service Fund</u>								
Highway and Schools	11,975,000	4.1 to 4.5	4-1-1999	4-1-06	\$ 1,000,000	\$ 0	\$ 1,000,000	\$ 0
Refunding Bond	3,821,170	2 to 2.75	8-15-03	6-1-07	1,320,448	0	661,626	658,822
Refunding Bond	21,420,000	4 to 5	3-1-04	4-1-11	20,220,000	0	1,800,000	18,420,000
School and Public Improvement	16,000,000	3 to 5	11-1-04	4-1-20	16,000,000	0	100,000	15,900,000
School Buses and Improvements	14,000,000	3.1 to 5	9-1-05	4-1-20	0	14,000,000	165,000	13,835,000
Total Bonds Payable					<u>\$ 38,540,448</u>	<u>\$ 14,000,000</u>	<u>\$ 3,726,626</u>	<u>\$ 48,813,822</u>

Exhibit L-2

Maury County, Tennessee  
Schedule of Bond and Interest Requirements by Year

Year Ending June 30	Bond Requirements	Interest Requirements	Total Requirements
2007	\$ 3,823,822	\$ 2,022,088	\$ 5,845,910
2008	4,605,000	1,879,607	6,484,607
2009	4,645,000	1,698,933	6,343,933
2010	4,905,000	1,481,357	6,386,357
2011	5,135,000	1,254,353	6,389,353
2012	2,685,000	1,020,447	3,705,447
2013	2,780,000	929,498	3,709,498
2014	2,875,000	809,560	3,684,560
2015	2,985,000	701,035	3,686,035
2016	2,700,000	589,475	3,289,475
2017	2,765,000	467,475	3,232,475
2018	2,855,000	358,875	3,213,875
2019	2,970,000	244,675	3,214,675
2020	3,085,000	125,875	3,210,875
<b>Total</b>	<b>\$ 48,813,822</b>	<b>\$ 13,583,253</b>	<b>\$ 62,397,075</b>

Exhibit L-3

Maury County, Tennessee  
Schedule of Investments - All Funds  
June 30, 2006

<u>Fund and Type</u>	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Amount</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Clerk and Master</u>				
Merrill Lynch - NOW Account	various	none	varies	\$ 35,404



Exhibit L-5

Maury County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Maury County School Department  
For the Year Ended June 30, 2006

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>Primary Government</u>			
Special Purpose	General	Provide funds for operations	\$ 900,000
Special Purpose	General	Provide funds for industrial development	160,000
Special Purpose	General	Provide funds for library operations	118,068
Special Purpose	Central Maintenance/Garage	Provide funds for operations	<u>33,250</u>
Total Transfers Primary Government			<u>\$ 1,211,318</u>
<u>Discretely Presented Maury</u>			
<u>County School Department</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 133,701</u>
Total Transfers Discretely Presented Maury County School Department			<u>\$ 133,701</u>

Exhibit L-6

Maury County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Maury County School Department  
For the Year Ended June 30, 2006

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 76,584	\$ 50,000	Cincinnati Insurance Company
Road Superintendent	Section 8-24-102, <u>TCA</u>	69,912	100,000	RLI Insurance Company
Director of Schools	State Board of Education and Local Board of Education	101,693	100,000	Travelers Casualty & Surety Company
Trustee	Section 8-24-102, <u>TCA</u>	63,552	1,885,200	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <u>TCA</u>	63,552	10,000	RLI Insurance Company
County Clerk	Section 8-24-102, <u>TCA</u>	63,552	50,000	Cincinnati Insurance Company
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	63,552	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u> , and Chancery Court Judge	74,342 (1)	70,000	RLI Insurance Company
Register	Section 8-24-102, <u>TCA</u>	63,552	25,000	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	72,936 (2)	25,000	Cincinnati Insurance Company
Director of Accounts and Budgets	Chapter 233, Private Acts of 1963, as amended	72,690	25,000	RLI Insurance Company
Director of Human Resources	Chapter 91, Private Acts of 2004	60,240	(3)	
<u>Other Bonds</u>				
Public Employee Dishonesty			150,000	Local Government Insurance Pool
School Employee Blanket Bond			50,000	Indiana Insurance Company

(1) Includes special commissioner fees totaling \$10,790.

(2) Includes \$3,024 received as superintendent of the workhouse.

(3) Covered under county's blanket bond.

Exhibit L-7

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2006

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<b>Local Taxes</b>									
<b>County Property Taxes</b>									
Current Property Tax	\$ 7,836,462	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,741,426	\$ 3,809,385	\$ 0	\$ 13,387,273
Trustee's Collections - Prior Year	218,066	0	0	0	0	50,554	110,580	0	379,200
Trustee's Collections - Bankruptcy	6,641	0	0	0	0	1,642	3,536	0	11,819
Circuit/Clerk & Master Collections - Prior Years	133,574	0	0	0	0	23,901	64,932	0	222,407
Interest and Penalty	48,941	0	0	0	0	15,745	24,589	0	89,275
Pick-up Taxes	46,019	0	0	0	0	11,633	22,635	0	80,287
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	0	9,360	0	9,360
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	0	246,453	0	246,453
Payments in-Lieu-of Taxes - Other	0	2,050,634	0	0	0	0	113,793	0	2,164,427
<b>County Local Option Taxes</b>									
Local Option Sales Tax	390,679	0	0	0	0	0	0	0	390,679
Hotel/Motel Tax	327,457	0	0	0	0	0	0	0	327,457
Wheel Tax	0	0	0	0	0	0	1,727,612	0	1,727,612
Litigation Tax - General	408,716	0	0	0	0	0	18,981	0	427,697
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	78,817	0	78,817
Business Tax	633,157	0	0	0	0	0	0	0	633,157
Mineral Severance Tax	0	0	0	0	0	200,994	0	0	200,994
Adequate Facilities/Development Tax	0	0	0	1,425,372	0	0	0	0	1,425,372
<b>Statutory Local Taxes</b>									
Bank Excise Tax	0	0	0	0	0	0	279,702	0	279,702
Wholesale Beer Tax	259,640	0	0	0	0	0	0	0	259,640
Interstate Telecommunications Tax	2,300	0	0	0	0	0	0	0	2,300
<b>Total Local Taxes</b>	<b>\$ 10,311,652</b>	<b>\$ 2,050,634</b>	<b>\$ 0</b>	<b>\$ 1,425,372</b>	<b>\$ 0</b>	<b>\$ 2,045,895</b>	<b>\$ 6,510,375</b>	<b>\$ 0</b>	<b>\$ 22,343,928</b>
<b>Licenses and Permits</b>									
<b>Licenses</b>									
Cable TV Franchise	\$ 55,002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,002
<b>Permits</b>									
Beer Permits	1,623	0	0	0	0	0	0	0	1,623
Building Permits	222,735	0	0	0	0	0	0	0	222,735
Other Permits	10,607	0	0	0	0	0	0	0	10,607
<b>Total Licenses and Permits</b>	<b>\$ 289,967</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 289,967</b>

(Continued)

Exhibit L-7

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 20,493	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	20,493
Fines for Littering	48	0	0	0	0	0	0	0	48
Officers Costs	10,558	0	0	0	0	0	0	0	10,558
Game and Fish Fines	40	0	0	0	0	0	0	0	40
Drug Control Fines	628	0	8,042	0	0	0	0	0	8,670
Drug Court Fees	17,774	0	0	0	0	0	0	0	17,774
DUI Treatment Fines	4,868	0	0	0	0	0	0	0	4,868
Data Entry Fee - Circuit Court	2,720	0	0	0	0	0	0	0	2,720
Courtroom Security Fee	252	0	0	0	0	0	0	0	252
<u>General Sessions Court</u>									
Fines	94,610	0	0	0	0	0	0	0	94,610
Fines for Littering	1,045	0	0	0	0	0	0	0	1,045
Officers Costs	116,663	0	0	0	0	0	0	0	116,663
Game and Fish Fines	1,775	0	0	0	0	0	0	0	1,775
Drug Control Fines	0	0	6,137	0	0	0	0	0	6,137
DUI Treatment Fines	17,884	0	0	0	0	0	0	0	17,884
Data Entry Fee - General Sessions Court	85,324	0	0	0	0	0	0	0	85,324
<u>Chancery Court</u>									
Officers Costs	18,196	0	0	0	0	0	0	0	18,196
Data Entry Fee - Chancery Court	2,692	0	0	0	0	0	0	0	2,692
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	0	0	51,185	0	0	0	0	0	51,185
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 395,570</b>	<b>\$ 0</b>	<b>\$ 65,364</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>460,934</b>
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Patient Charges	\$ 12	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	12
<u>Fees</u>									
Subdivision Lot Fees	84,248	0	0	0	0	0	0	0	84,248
Recreation Fees	25,909	0	0	0	0	0	0	0	25,909
Copy Fees	7,875	0	0	0	0	0	0	0	7,875
Library Fees	14,278	0	0	0	0	0	0	0	14,278

(Continued)

Exhibit L-7

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Telephone Commissions	\$ 17,906	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,906
Vending Machine Collections	1,061	0	0	0	0	0	0	0	1,061
Tourism Fees	12,557	0	0	0	0	0	0	0	12,557
Constitutional Officers' Fees and Commissions	0	0	0	0	741,299	0	0	0	741,299
Data Processing Fee - Register	41,196	0	0	0	0	0	0	0	41,196
Data Processing Fee - Sheriff	13,770	0	0	0	0	0	0	0	13,770
<u>Other Charges for Services</u>									
Other Charges for Services	12,000	0	0	0	0	0	0	0	12,000
<b>Total Charges for Current Services</b>	<b>\$ 230,812</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 741,299</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 972,111</b>
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 24,225	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,560,548	\$ 3,130	\$ 1,587,903
Lease/Rentals	109,592	0	0	0	0	0	0	0	109,592
Sale of Materials and Supplies	77	0	0	0	0	661	0	0	738
Miscellaneous Refunds	6,177	0	0	0	0	4,299	0	0	10,476
<u>Nonrecurring Items</u>									
Accrued Interest on Debt Issues	0	0	0	0	0	0	30,428	0	30,428
Sale of Equipment	12,632	5,425	0	0	0	38,000	0	0	56,057
Sale of Property	634	0	0	0	0	0	0	0	634
Contributions & Gifts	1,290	9,000	0	0	0	0	0	0	10,290
<u>Other Local Revenues</u>									
Other Local Revenues	401,468	0	0	0	0	0	0	0	401,468
<b>Total Other Local Revenues</b>	<b>\$ 531,870</b>	<b>\$ 38,650</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 42,960</b>	<b>\$ 1,590,976</b>	<b>\$ 3,130</b>	<b>\$ 2,207,586</b>
<u>Fees Received from County Officials</u>									
<u>Excess Fees</u>									
County Clerk	\$ 230,769	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 230,769
Clerk and Master	97,351	0	0	0	0	0	0	0	97,351
<u>Fees-In-Lieu of Salary</u>									
Circuit Court Clerk	894,322	0	0	0	0	0	0	0	894,322
Register	615,781	0	0	0	0	0	0	0	615,781

(Continued)

Exhibit L-7

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds						Debt Service Fund	Capital Projects Fund	Total
	General	Special Purpose	Drug Control	Adequate Facilities/Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>									
<u>Fees-In-Lieu of Salary (Cont.)</u>									
Sheriff	\$ 77,849	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 77,849
Trustee	1,095,650	0	0	0	0	0	0	0	1,095,650
Total Fees Received from County Officials	\$ 3,011,722	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,011,722
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 9,954	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,954
State Reappraisal Grant	22,629	0	0	0	0	0	0	0	22,629
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	29,566	0	0	0	0	0	0	0	29,566
<u>Health and Welfare Grants</u>									
Other Health and Welfare Grants	505,361	0	0	0	0	0	0	0	505,361
<u>Public Works Grants</u>									
Bridge Program	0	0	0	0	0	109,128	0	0	109,128
State Aid Program	0	0	0	0	0	137,496	0	0	137,496
<u>Other State Revenues</u>									
Income Tax	223,536	0	0	0	0	0	0	0	223,536
Beer Tax	17,212	0	0	0	0	0	0	0	17,212
Alcoholic Beverage Tax	78,686	0	0	0	0	0	0	0	78,686
State Revenue Sharing - T.V.A.	0	0	0	0	0	0	670,454	0	670,454
Board of Jurors	1,546	0	0	0	0	0	0	0	1,546
Contracted Prisoner Boarding	703,670	0	0	0	0	0	0	0	703,670
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,223,497	0	0	2,223,497
Petroleum Special Tax	0	0	0	0	0	55,906	0	0	55,906
Registrar's Salary Supplement	16,380	0	0	0	0	0	0	0	16,380
Other State Grants	0	37,295	0	0	0	30,000	0	0	67,295
Other State Revenues	13,232	0	0	0	0	0	0	1,000,000	1,013,232
Total State of Tennessee	\$ 1,621,772	\$ 37,295	\$ 0	\$ 0	\$ 0	\$ 2,556,027	\$ 670,454	\$ 1,000,000	\$ 5,885,548
<u>Federal Government</u>									
<u>Federal Through State</u>									
Homeland Security Grants	\$ 209,906	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 209,906

(Continued)

Exhibit L-7

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types (Cont.)

	Special Revenue Funds							Debt	Capital	Total
	General	Special Purpose	Drug Control	Adequate Facilities/ Development Tax	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects		
<u>Federal Government (Cont.)</u>										
<u>Federal Through State (Cont.)</u>										
Law Enforcement Grants	\$ 7,724	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,724
Other Federal through State	388,135	208,065	0	0	0	0	0	0	0	596,200
<u>Direct Federal Revenue</u>										
Other Direct Federal Revenue	11,107	0	0	0	0	285,224	207	0	0	296,538
Total Federal Government	\$ 616,872	\$ 208,065	\$ 0	\$ 0	\$ 0	\$ 285,224	\$ 207	\$ 0	\$ 0	\$ 1,110,368
<u>Other Governments and Citizens Groups</u>										
<u>Other Governments</u>										
Contributions	\$ 30,690	\$ 268,335	\$ 0	\$ 9,050	\$ 0	\$ 0	\$ 125,000	\$ 0	\$ 0	\$ 433,075
<u>Citizens Groups</u>										
Donations	49,892	0	0	0	0	0	0	0	0	49,892
<u>Other</u>										
Other	37,928	0	0	0	0	0	0	0	0	37,928
Total Other Governments and Citizens Groups	\$ 118,510	\$ 268,335	\$ 0	\$ 9,050	\$ 0	\$ 0	\$ 125,000	\$ 0	\$ 0	\$ 520,895
Total	\$ 17,128,747	\$ 2,602,979	\$ 65,364	\$ 1,434,422	\$ 741,299	\$ 4,930,106	\$ 8,897,012	\$ 1,003,130	\$ 0	\$ 36,803,059

## Exhibit L-8

Maury County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 Discretely Presented Maury County School Department  
 For the Year Ended June 30, 2006

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 16,652,465	\$ 0	\$ 0	\$ 0	\$ 16,652,465
Trustee's Collections - Prior Year	483,366	0	0	0	483,366
Trustee's Collections - Bankruptcy	15,121	0	0	0	15,121
Circuit/Clerk & Master Collections - Prior Years	283,846	0	0	0	283,846
Interest and Penalty	107,401	0	0	0	107,401
Pick-up Taxes	98,947	0	0	0	98,947
<u>County Local Option Taxes</u>					
Local Option Sales Tax	9,254,359	0	0	0	9,254,359
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	13,317	0	0	0	13,317
Total Local Taxes	\$ 26,908,822	\$ 0	\$ 0	\$ 0	\$ 26,908,822
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 5,387	\$ 0	\$ 0	\$ 0	\$ 5,387
Total Licenses and Permits	\$ 5,387	\$ 0	\$ 0	\$ 0	\$ 5,387
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 239	\$ 0	\$ 0	\$ 0	\$ 239
<u>Education Charges</u>					
Tuition - Regular Day Students	44,786	0	0	0	44,786
Lunch Payments - Children	0	0	1,389,994	0	1,389,994
Lunch Payments - Adults	0	0	157,170	0	157,170
Income from Breakfast	0	0	223,808	0	223,808
A la carte Sales	0	0	694,485	0	694,485
School Based Health Services - FFS	11	0	0	0	11
Receipts from Individual Schools	217,413	0	0	0	217,413
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	102,583	0	102,583
Total Charges for Current Services	\$ 262,449	\$ 0	\$ 2,568,040	\$ 0	\$ 2,830,489
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 39,077	\$ 0	\$ 39,077
Lease/Rentals	8,008	0	0	0	8,008
Sale of Materials and Supplies	825	0	0	0	825
Miscellaneous Refunds	20,407	0	24,360	0	44,767
<u>Nonrecurring Items</u>					
Sale of Equipment	11,428	0	3,217	0	14,645
Damages Recovered from Individuals	2,499	0	0	0	2,499
Contributions & Gifts	176,820	0	0	0	176,820
<u>Other Local Revenues</u>					
Other Local Revenues	102,035	0	0	0	102,035
Total Other Local Revenues	\$ 322,022	\$ 0	\$ 66,654	\$ 0	\$ 388,676

(Continued)

Exhibit L-8

Maury County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 38,282,624	\$ 0	\$ 0	\$ 0	\$ 38,282,624
School Food Service	0	0	58,114	0	58,114
Other State Education Funds	467,206	0	0	0	467,206
Career Ladder Program	641,016	0	0	0	641,016
Career Ladder - Extended Contract	238,785	0	0	0	238,785
<u>Other State Revenues</u>					
Mixed Drink Tax	49,175	0	0	0	49,175
Other State Grants	65,398	0	0	0	65,398
Total State of Tennessee	\$ 39,744,204	\$ 0	\$ 58,114	\$ 0	\$ 39,802,318
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,759,987	\$ 0	\$ 1,759,987
Breakfast	0	0	456,001	0	456,001
USDA - Other	0	0	9,861	0	9,861
Vocational Education - Basic Grants to States	0	278,219	0	0	278,219
Other Vocational	41,778	0	0	0	41,778
Title I Grants to Local Education Agencies	0	1,862,872	0	0	1,862,872
Innovative Education Program Strategies	0	90,312	0	0	90,312
Special Education - Grants to States	50,041	3,126,937	0	0	3,176,978
Special Education Preschool Grants	0	89,199	0	0	89,199
Eisenhower Professional Development State Grants	0	550,464	0	0	550,464
Other Federal through State	384,851	122,787	0	0	507,638
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	102,320	0	0	0	102,320
Other Direct Federal Revenue	30,265	0	0	0	30,265
Total Federal Government	\$ 609,255	\$ 6,120,790	\$ 2,225,849	\$ 0	\$ 8,955,894
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 16,089,539	\$ 16,089,539
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 16,089,539	\$ 16,089,539
Total	\$ 67,852,139	\$ 6,120,790	\$ 4,918,657	\$ 16,089,539	\$ 94,981,125

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2006

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	39,400	
Social Security		2,443	
Employer Medicare		571	
Dues and Memberships		1,850	
Legal Notices, Recording, and Court Costs		464	
Travel		161	
Food Supplies		605	
Office Supplies		271	
Total County Commission			\$ 45,765

Board of Equalization

Board and Committee Members Fees	\$	1,222	
Social Security		73	
Employer Medicare		17	
Legal Notices, Recording, and Court Costs		42	
Total Board of Equalization			1,354

Other Boards and Committees

Other Per Diem & Fees	\$	450	
Social Security		28	
Employer Medicare		7	
Total Other Boards and Committees			485

County Mayor/Executive

County Official/Administrative Officer	\$	76,584	
Assistant(s)		30,794	
Clerical Personnel		27,590	
Longevity Pay		450	
Social Security		8,428	
State Retirement		11,334	
Employee and Dependent Insurance		2,336	
Life Insurance		172	
Medical Insurance		12,054	
Dental Insurance		609	
Disability Insurance		706	
Unemployment Compensation		210	
Employer Medicare		1,971	
Communication		394	
Dues and Memberships		1,850	
Maintenance Agreements		631	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Mayor/Executive (Cont.)

Postal Charges	\$	451	
Printing, Stationery, and Forms		332	
Travel		123	
Office Supplies		954	
Periodicals		805	
Other Charges		90	
Total County Mayor/Executive			\$ 178,868

Personnel Office

County Official/Administrative Officer	\$	60,240	
Clerical Personnel		113,074	
Longevity Pay		500	
Social Security		10,166	
State Retirement		13,660	
Employee and Dependent Insurance		3,252	
Life Insurance		240	
Medical Insurance		17,685	
Dental Insurance		849	
Disability Insurance		847	
Unemployment Compensation		525	
Employer Medicare		2,378	
Communication		276	
Legal Notices, Recording, and Court Costs		1,561	
Maintenance Agreements		702	
Postal Charges		899	
Printing, Stationery, and Forms		952	
Travel		1,647	
Office Supplies		3,035	
Periodicals		233	
Other Charges		202	
Furniture and Fixtures		1,006	
Office Equipment		396	
Total Personnel Office			234,325

County Attorney

County Official/Administrative Officer	\$	45,636	
Longevity Pay		1,000	
Social Security		2,891	
State Retirement		3,903	
Employee and Dependent Insurance		784	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Life Insurance	\$	58	
Medical Insurance		4,037	
Dental Insurance		204	
Disability Insurance		240	
Unemployment Compensation		105	
Employer Medicare		676	
Total County Attorney			\$ 59,534

Election Commission

County Official/Administrative Officer	\$	57,198	
Clerical Personnel		50,572	
Part-time Personnel		11,007	
Longevity Pay		1,100	
Overtime Pay		116	
Other Salaries & Wages		1,363	
Election Commission		3,520	
Social Security		7,343	
State Retirement		9,236	
Employee and Dependent Insurance		2,351	
Life Insurance		173	
Medical Insurance		12,112	
Dental Insurance		612	
Disability Insurance		565	
Unemployment Compensation		309	
Employer Medicare		1,717	
Communication		1,482	
Data Processing Services		3,600	
Dues and Memberships		200	
Legal Notices, Recording, and Court Costs		126	
Maintenance Agreements		2,303	
Maintenance & Repair Services - Buildings		2,092	
Pest Control		215	
Postal Charges		3,448	
Printing, Stationery, and Forms		2,198	
Travel		1,261	
Data Processing Supplies		781	
Electricity		3,142	
Natural Gas		1,872	
Office Supplies		406	
Furniture and Fixtures		110	
Total Election Commission			182,530

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Register of Deeds

County Official/Administrative Officer	\$	63,552	
Clerical Personnel		130,752	
Longevity Pay		1,950	
Social Security		12,157	
State Retirement		16,426	
Employee and Dependent Insurance		4,074	
Life Insurance		300	
Medical Insurance		21,700	
Dental Insurance		1,060	
Disability Insurance		982	
Unemployment Compensation		549	
Employer Medicare		2,843	
Data Processing Services		15,736	
Dues and Memberships		721	
Maintenance Agreements		4,744	
Postal Charges		3,843	
Data Processing Supplies		3,900	
Office Supplies		2,644	
Data Processing Equipment		2,369	
Furniture and Fixtures		167	
Total Register of Deeds			\$ 290,469

Development

County Official/Administrative Officer	\$	88,216
Secretary(ies)		35,194
Clerical Personnel		27,602
Longevity Pay		3,150
Other Salaries & Wages		83,595
Social Security		14,668
State Retirement		12,918
Employee and Dependent Insurance		4,545
Life Insurance		336
Medical Insurance		23,684
Dental Insurance		1,190
Disability Insurance		1,202
Unemployment Compensation		709
Employer Medicare		3,430
Communication		858
Consultants		53,000
Dues and Memberships		269

(Continued)

Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

Development (Cont.)

Legal Notices, Recording, and Court Costs	\$	2,051	
Licenses		70	
Maintenance Agreements		1,066	
Maintenance & Repair Services - Vehicles		1,588	
Postal Charges		270	
Printing, Stationery, and Forms		54	
Travel		1,251	
Gasoline		4,791	
Office Supplies		1,760	
Periodicals		307	
Other Charges		91	
Furniture and Fixtures		1,613	
Office Equipment		80	
Other Equipment		1,442	
Total Development			\$ 371,000

County Buildings

Supervisor/Director	\$	40,768
Custodial Personnel		61,324
Longevity Pay		4,750
Overtime Pay		1,892
Other Salaries & Wages		143,208
Social Security		15,488
State Retirement		17,881
Employee and Dependent Insurance		6,072
Life Insurance		453
Medical Insurance		31,818
Dental Insurance		1,606
Disability Insurance		1,185
Unemployment Compensation		1,053
Employer Medicare		3,622
Architects		425
Communication		1,347
Laundry Service		1,938
Licenses		1,170
Maintenance Agreements		17,350
Maintenance & Repair Services - Buildings		68,315
Maintenance & Repair Services - Equipment		185
Maintenance & Repair Services - Vehicles		2,683
Pest Control		2,143

(Continued)

Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Rentals	\$	53	
Disposal Fees		9,737	
Other Contracted Services		29,229	
Custodial Supplies		9,410	
Electricity		128,013	
Fertilizer, Lime, and Seed		110	
Gasoline		5,568	
Natural Gas		32,759	
Office Supplies		173	
Small Tools		190	
Boiler Insurance		10,220	
Building and Contents Insurance		54,199	
Other Charges		789	
Other Equipment		207	
Total County Buildings			\$ 707,333

Other General Administration

Audit Services	\$	15,757	
Dues and Memberships		8,097	
Legal Services		42,691	
Maintenance & Repair Services - Vehicles		1,882	
Gasoline		1,237	
Judgments		429	
Liability Insurance		222,985	
Premiums on Corporate Surety Bonds		311	
Vehicle and Equipment Insurance		82,348	
Workers' Compensation Insurance		306,797	
Other Charges		2,719	
Total Other General Administration			685,253

Preservation of Records

County Official/Administrative Officer	\$	47,154	
Assistant(s)		33,550	
Longevity Pay		400	
Social Security		5,006	
State Retirement		6,789	
Employee and Dependent Insurance		1,567	
Life Insurance		115	
Medical Insurance		8,075	
Dental Insurance		408	

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)General Government (Cont.)Preservation of Records (Cont.)

Disability Insurance	\$	419	
Unemployment Compensation		210	
Employer Medicare		1,171	
Advertising		453	
Communication		741	
Janitorial Services		4,680	
Maintenance Agreements		2,556	
Maintenance & Repair Services - Buildings		124	
Printing, Stationery, and Forms		433	
Other Contracted Services		72	
Custodial Supplies		159	
Office Supplies		5,025	
Other Charges		621	
Other Capital Outlay		15,210	
Total Preservation of Records			\$ 134,938

FinanceAccounting and Budgeting

County Official/Administrative Officer	\$	72,690
Assistant(s)		18,254
Accountants/Bookkeepers		115,057
Clerical Personnel		96,096
Part-time Personnel		4,790
Longevity Pay		3,900
Social Security		19,136
State Retirement		25,061
Employee and Dependent Insurance		5,553
Life Insurance		400
Medical Insurance		28,062
Dental Insurance		1,435
Disability Insurance		1,501
Unemployment Compensation		852
Employer Medicare		4,475
Dues and Memberships		840
Legal Notices, Recording, and Court Costs		439
Licenses		240
Maintenance Agreements		1,428
Maintenance & Repair Services - Office Equipment		65
Postal Charges		2,606
Printing, Stationery, and Forms		138

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Travel	\$	3,516	
Office Supplies		3,914	
Periodicals		150	
Other Charges		12,605	
Furniture and Fixtures		674	
Total Accounting and Budgeting			\$ 423,877

Purchasing

Assistant(s)	\$	40,741	
Longevity Pay		750	
Social Security		2,572	
State Retirement		3,473	
Employee and Dependent Insurance		471	
Life Insurance		38	
Medical Insurance		2,778	
Dental Insurance		136	
Disability Insurance		148	
Unemployment Compensation		210	
Employer Medicare		602	
Dues and Memberships		35	
Legal Notices, Recording, and Court Costs		1,713	
Postal Charges		423	
Printing, Stationery, and Forms		22	
Travel		903	
Office Supplies		179	
Furniture and Fixtures		487	
Office Equipment		1,265	
Total Purchasing			56,946

Property Assessor's Office

County Official/Administrative Officer	\$	63,552	
Clerical Personnel		115,328	
Longevity Pay		4,100	
Other Salaries & Wages		157,613	
In-Service Training		305	
Social Security		20,580	
State Retirement		18,817	
Employee and Dependent Insurance		7,130	
Life Insurance		547	
Medical Insurance		36,337	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Dental Insurance	\$	1,837	
Disability Insurance		1,618	
Unemployment Compensation		1,050	
Employer Medicare		4,813	
Audit Services		3,400	
Communication		368	
Data Processing Services		18,775	
Dues and Memberships		1,878	
Maintenance Agreements		1,489	
Maintenance & Repair Services - Office Equipment		55	
Maintenance & Repair Services - Vehicles		786	
Postal Charges		2,380	
Printing, Stationery, and Forms		129	
Travel		2,228	
Other Contracted Services		34,167	
Gasoline		2,963	
Office Supplies		2,328	
Other Charges		248	
Data Processing Equipment		2,349	
Furniture and Fixtures		180	
Office Equipment		470	
Other Equipment		7,103	
Total Property Assessor's Office			\$ 514,923

Reappraisal Program

Clerical Personnel	\$	28,777
Temporary Personnel		16,827
Longevity Pay		1,000
Overtime Pay		536
Other Salaries & Wages		69,112
In-Service Training		115
Social Security		7,188
State Retirement		8,322
Employee and Dependent Insurance		2,351
Life Insurance		173
Medical Insurance		12,112
Dental Insurance		612
Disability Insurance		503
Unemployment Compensation		517
Employer Medicare		1,681

(Continued)

Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Communication	\$	763	
Data Processing Services		10,366	
Maintenance & Repair Services - Vehicles		111	
Postal Charges		9,619	
Travel		277	
Gasoline		426	
Office Supplies		917	
Other Charges		160	
Data Processing Equipment		612	
Furniture and Fixtures		218	
Other Equipment		709	
Total Reappraisal Program			\$ 174,004

County Trustee's Office

County Official/Administrative Officer	\$	63,552	
Clerical Personnel		118,810	
Temporary Personnel		8,960	
Longevity Pay		2,850	
Social Security		11,740	
State Retirement		15,502	
Employee and Dependent Insurance		3,918	
Life Insurance		288	
Medical Insurance		20,187	
Dental Insurance		1,020	
Disability Insurance		951	
Unemployment Compensation		554	
Employer Medicare		2,746	
Data Processing Services		8,411	
Dues and Memberships		596	
Legal Notices, Recording, and Court Costs		152	
Maintenance Agreements		280	
Maintenance & Repair Services - Office Equipment		45	
Postal Charges		8,006	
Printing, Stationery, and Forms		617	
Travel		1,117	
Office Supplies		1,380	
Other Charges		115	
Office Equipment		328	
Total County Trustee's Office			272,125

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)County Clerk's Office

State Retirement	\$	36,070	
Employee and Dependent Insurance		11,408	
Life Insurance		817	
Medical Insurance		59,635	
Dental Insurance		2,996	
Disability Insurance		2,175	
Unemployment Compensation		1,566	
Data Processing Services		12,827	
Dues and Memberships		646	
Maintenance Agreements		1,510	
Maintenance & Repair Services - Office Equipment		105	
Postal Charges		21,277	
Printing, Stationery, and Forms		6,441	
Travel		50	
Data Processing Supplies		916	
Office Supplies		5,823	
Periodicals		130	
Other Charges		2,229	
Furniture and Fixtures		1,035	
Office Equipment		310	
Total County Clerk's Office			\$ 167,966

Data Processing

County Official/Administrative Officer	\$	63,234
Data Processing Personnel		48,402
Longevity Pay		850
Overtime Pay		16
Other Salaries & Wages		44,064
Social Security		9,319
State Retirement		13,105
Employee and Dependent Insurance		1,646
Life Insurance		178
Medical Insurance		8,390
Dental Insurance		425
Disability Insurance		807
Unemployment Compensation		315
Employer Medicare		2,179
Communication		1,098
Postal Charges		187
Travel		961

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Finance (Cont.)Data Processing (Cont.)

Data Processing Supplies	\$	39	
Office Supplies		374	
Data Processing Equipment		179	
Furniture and Fixtures		607	
Total Data Processing			\$ 196,375

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	63,552	
Clerical Personnel		474,633	
Part-time Personnel		29,112	
Longevity Pay		6,600	
Jury and Witness Fees		41,984	
In-Service Training		298	
Other Per Diem & Fees		11,225	
Social Security		35,947	
State Retirement		40,604	
Employee and Dependent Insurance		12,968	
Life Insurance		960	
Medical Insurance		67,059	
Dental Insurance		3,397	
Disability Insurance		2,799	
Unemployment Compensation		2,071	
Employer Medicare		8,407	
Data Processing Services		12,370	
Dues and Memberships		446	
Legal Notices, Recording, and Court Costs		354	
Maintenance Agreements		4,667	
Maintenance & Repair Services - Office Equipment		150	
Postal Charges		6,601	
Printing, Stationery, and Forms		17,538	
Travel		659	
Office Supplies		9,338	
Periodicals		336	
Other Charges		5,033	
Furniture and Fixtures		10,828	
Office Equipment		2,223	
Other Equipment		216	
Total Circuit Court			872,375

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	346,752	
Clerical Personnel		96,499	
Temporary Personnel		25,465	
Longevity Pay		2,050	
Other Salaries & Wages		98,711	
Social Security		31,081	
State Retirement		44,800	
Employee and Dependent Insurance		7,286	
Life Insurance		518	
Medical Insurance		36,337	
Dental Insurance		1,837	
Disability Insurance		2,792	
Unemployment Compensation		1,017	
Employer Medicare		8,094	
Communication		5,963	
Dues and Memberships		50	
Licenses		30	
Maintenance Agreements		1,473	
Maintenance & Repair Services - Buildings		28	
Pest Control		292	
Printing, Stationery, and Forms		897	
Travel		3,525	
Electricity		5,191	
Office Supplies		1,510	
Periodicals		603	
Other Charges		195	
Data Processing Equipment		995	
Furniture and Fixtures		147	
Office Equipment		6,305	
Total General Sessions Court			\$ 730,443

Chancery Court

State Retirement	\$	19,130
Employee and Dependent Insurance		5,118
Life Insurance		381
Medical Insurance		27,099
Dental Insurance		1,335
Disability Insurance		1,153
Unemployment Compensation		681
Data Processing Services		5,904

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Dues and Memberships	\$	566	
Maintenance Agreements		728	
Postal Charges		8,954	
Printing, Stationery, and Forms		5,659	
Travel		255	
Office Supplies		3,800	
Periodicals		666	
Other Charges		110	
Total Chancery Court			\$ 81,539

District Attorney General

Contributions	\$	2,500	
Medical and Dental Services		70,995	
Total District Attorney General			73,495

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	69,912	
Deputy(ies)		1,454,681	
Investigator(s)		342,241	
Captain(s)		123,522	
Lieutenant(s)		169,545	
Sergeant(s)		341,367	
Dispatchers/Radio Operators		161,264	
Clerical Personnel		147,190	
Part-time Personnel		17,285	
Longevity Pay		26,250	
Overtime Pay		176,813	
In-Service Training		10,000	
Social Security		186,405	
State Retirement		235,789	
Employee and Dependent Insurance		54,352	
Life Insurance		4,090	
Medical Insurance		288,374	
Dental Insurance		14,288	
Disability Insurance		14,019	
Unemployment Compensation		8,559	
Employer Medicare		43,595	
Advertising		39	
Communication		20,476	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Data Processing Services	\$	42,818	
Dues and Memberships		3,460	
Legal Notices, Recording, and Court Costs		91	
Maintenance Agreements		8,129	
Maintenance & Repair Services - Equipment		2,568	
Maintenance & Repair Services - Vehicles		32,853	
Medical and Dental Services		540	
Postal Charges		3,187	
Printing, Stationery, and Forms		2,071	
Travel		16,978	
Other Contracted Services		839	
Data Processing Supplies		7,362	
Drugs and Medical Supplies		280	
Food Supplies		33	
Gasoline		132,098	
Law Enforcement Supplies		23,328	
Lubricants		3,515	
Office Supplies		7,969	
Periodicals		1,199	
Tires and Tubes		11,586	
Uniforms		38,975	
Vehicle Parts		34,100	
Other Charges		426	
Communication Equipment		18,289	
Data Processing Equipment		4,514	
Furniture and Fixtures		510	
Law Enforcement Equipment		38,605	
Office Equipment		369	
Total Sheriff's Department			\$ 4,346,748

Jail

County Official/Administrative Officer	\$	3,024	
Maintenance Personnel		31,949	
Longevity Pay		6,050	
Overtime Pay		179,507	
Other Salaries & Wages		1,226,871	
Social Security		88,539	
State Retirement		110,694	
Employee and Dependent Insurance		30,000	
Life Insurance		2,241	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical Insurance	\$	160,958	
Dental Insurance		7,932	
Disability Insurance		5,743	
Unemployment Compensation		6,516	
Employer Medicare		20,707	
Communication		8,881	
Contracts with Government Agencies		54,854	
Maintenance Agreements		13,747	
Maintenance & Repair Services - Buildings		48,371	
Maintenance & Repair Services - Equipment		661	
Maintenance & Repair Services - Vehicles		3,984	
Medical and Dental Services		98,806	
Pest Control		1,838	
Postal Charges		2,725	
Printing, Stationery, and Forms		2,674	
Travel		4,801	
Disposal Fees		2,180	
Other Contracted Services		355	
Custodial Supplies		24,765	
Drugs and Medical Supplies		172,242	
Electricity		107,305	
Food Supplies		185,181	
Gasoline		22,306	
Law Enforcement Supplies		3,128	
Lubricants		468	
Natural Gas		47,358	
Periodicals		328	
Prisoners Clothing		10,270	
Tires and Tubes		1,264	
Uniforms		9,069	
Vehicle Parts		4,201	
Other Supplies and Materials		88	
Other Charges		113	
Communication Equipment		6,412	
Food Service Equipment		574	
Law Enforcement Equipment		4,722	
Office Equipment		214	
Other Equipment		3,089	
Total Jail			\$ 2,727,705

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services

Assistant(s)	\$	21,876	
Probation Officer(s)		22,714	
Youth Service Officer(s)		38,838	
Longevity Pay		450	
Social Security		5,169	
State Retirement		3,732	
Employee and Dependent Insurance		1,645	
Life Insurance		173	
Medical Insurance		12,112	
Dental Insurance		612	
Disability Insurance		431	
Unemployment Compensation		315	
Employer Medicare		1,209	
Communication		275	
Dues and Memberships		90	
Travel		6,648	
Other Contracted Services		35,280	
Office Supplies		165	
Total Juvenile Services			\$ 151,734

Civil Defense

Contributions	\$	65,500	
Vehicle and Equipment Insurance		27,454	
Total Civil Defense			92,954

Other Emergency Management

Communication	\$	866	
Data Processing Services		1,252	
Dues and Memberships		140	
Maintenance Agreements		423	
Maintenance & Repair Services - Equipment		480	
Maintenance & Repair Services - Vehicles		2,849	
Postal Charges		116	
Travel		1,125	
Other Contracted Services		24,588	
Drugs and Medical Supplies		675	
Gasoline		1,016	
Instructional Supplies and Materials		283	
Office Supplies		286	
Periodicals		100	

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Public Safety (Cont.)Other Emergency Management (Cont.)

Small Tools	\$	132	
Tires and Tubes		1,284	
Uniforms		398	
Vehicle Parts		1,625	
Other Supplies and Materials		1,062	
Other Charges		61	
Communication Equipment		6,960	
Data Processing Equipment		843	
Health Equipment		11,980	
Other Equipment		72,974	
Other Capital Outlay		57,521	
Total Other Emergency Management			\$ 189,039

County Coroner/Medical Examiner

Medical and Dental Services	\$	9,500	
Total County Coroner/Medical Examiner			9,500

Public Safety Grant Programs

Overtime Pay	\$	2,437	
Law Enforcement Supplies		648	
Uniforms		5,564	
Law Enforcement Equipment		54,200	
Total Public Safety Grant Programs			62,849

Public Health and WelfareLocal Health Center

Medical Personnel	\$	225,189	
Clerical Personnel		83,240	
Part-time Personnel		40,364	
Longevity Pay		750	
Social Security		21,472	
State Retirement		24,837	
Employee and Dependent Insurance		9,404	
Life Insurance		653	
Medical Insurance		46,294	
Dental Insurance		2,364	
Disability Insurance		1,331	
Unemployment Compensation		2,684	
Employer Medicare		5,022	
Communication		9,186	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Dues and Memberships	\$	200	
Janitorial Services		14,385	
Maintenance Agreements		514	
Maintenance & Repair Services - Buildings		2,124	
Maintenance & Repair Services - Equipment		729	
Maintenance & Repair Services - Office Equipment		260	
Medical and Dental Services		1,055	
Pest Control		295	
Printing, Stationery, and Forms		108	
Rentals		4,400	
Travel		5,863	
Other Contracted Services		388	
Electricity		9,656	
Natural Gas		3,213	
Office Supplies		2,123	
Liability Insurance		178	
Workers' Compensation Insurance		1,779	
Other Charges		400	
Furniture and Fixtures		119	
Office Equipment		179	
Total Local Health Center			\$ 520,758

Rabies and Animal Control

Part-time Personnel	\$	11,795
Longevity Pay		300
Other Salaries & Wages		52,862
Social Security		3,939
State Retirement		2,114
Employee and Dependent Insurance		1,525
Life Insurance		108
Medical Insurance		7,591
Dental Insurance		382
Disability Insurance		264
Unemployment Compensation		307
Employer Medicare		921
Advertising		430
Communication		2,053
Licenses		200
Maintenance & Repair Services - Vehicles		3,452
Drugs and Medical Supplies		1,980

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Electricity	\$	1,720	
Gasoline		6,112	
Law Enforcement Supplies		22	
Natural Gas		99	
Uniforms		240	
Other Charges		<u>121,282</u>	
Total Rabies and Animal Control	\$		219,698

Other Local Health Services

Other Charges	\$	<u>170</u>	
Total Other Local Health Services			170

Regional Mental Health Center

Contributions	\$	<u>9,000</u>	
Total Regional Mental Health Center			9,000

Appropriation to State

Contracts with Government Agencies	\$	<u>17,812</u>	
Total Appropriation to State			17,812

Other Local Welfare Services

Other Contracted Services	\$	<u>14,561</u>	
Total Other Local Welfare Services			14,561

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	<u>33,000</u>	
Total Senior Citizens Assistance			33,000

Libraries

County Official/Administrative Officer	\$	43,356	
Librarians		178,484	
Part-time Personnel		47,996	
Longevity Pay		3,400	
Social Security		16,567	
State Retirement		19,293	
Employee and Dependent Insurance		7,164	
Life Insurance		527	
Medical Insurance		36,948	
Dental Insurance		1,868	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Disability Insurance	\$	1,175	
Unemployment Compensation		1,541	
Employer Medicare		3,875	
Communication		6,492	
Data Processing Services		1,100	
Dues and Memberships		100	
Janitorial Services		5,632	
Licenses		460	
Maintenance Agreements		9,060	
Maintenance & Repair Services - Buildings		3,958	
Maintenance & Repair Services - Equipment		92	
Pest Control		629	
Postal Charges		925	
Printing, Stationery, and Forms		764	
Travel		55	
Other Contracted Services		240	
Custodial Supplies		2,523	
Electricity		22,340	
Food Supplies		54	
Instructional Supplies and Materials		1,449	
Library Books/Media		27,173	
Natural Gas		4,768	
Office Supplies		5,787	
Periodicals		5,307	
Furniture and Fixtures		270	
Other Capital Outlay		34,103	
Total Libraries			\$ 495,475

Parks and Fair Boards

County Official/Administrative Officer	\$	56,472
Assistant(s)		61,410
Laborers		115,131
Temporary Personnel		52,014
Longevity Pay		1,750
Overtime Pay		3,296
Social Security		17,891
State Retirement		19,108
Employee and Dependent Insurance		5,563
Life Insurance		408
Medical Insurance		28,893

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Dental Insurance	\$	1,446	
Disability Insurance		1,161	
Unemployment Compensation		1,628	
Employer Medicare		4,184	
Communication		2,877	
Dues and Memberships		230	
Laundry Service		3,208	
Licenses		575	
Maintenance Agreements		528	
Maintenance & Repair Services - Buildings		1,173	
Maintenance & Repair Services - Equipment		1,707	
Maintenance & Repair Services - Vehicles		2,693	
Medical and Dental Services		30	
Pest Control		585	
Postal Charges		165	
Printing, Stationery, and Forms		150	
Rentals		2,623	
Travel		1,394	
Other Contracted Services		18,176	
Custodial Supplies		4,698	
Electricity		56,452	
Equipment Parts - Light		1,188	
Fertilizer, Lime, and Seed		5,759	
Gasoline		17,833	
Lubricants		1,104	
Natural Gas		10,033	
Office Supplies		714	
Tires and Tubes		734	
Uniforms		400	
Other Supplies and Materials		17,329	
Other Charges		1,264	
Furniture and Fixtures		270	
Site Development		1,531	
Other Capital Outlay		19,422	
Total Parks and Fair Boards			\$ 545,200

Agriculture & Natural Resources

Agriculture Extension Service

Board and Committee Members Fees	\$	175
Social Security		11

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Agriculture & Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Employer Medicare	\$	3	
Communication		232	
Contracts with Government Agencies		97,019	
Postal Charges		144	
Total Agriculture Extension Service			\$ 97,584

Forest Service

Contributions	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Other Salaries & Wages	\$	27,602	
Social Security		1,711	
State Retirement		2,310	
Employee and Dependent Insurance		784	
Life Insurance		58	
Medical Insurance		4,037	
Dental Insurance		204	
Disability Insurance		142	
Unemployment Compensation		105	
Employer Medicare		400	
Total Soil Conservation			37,353

Other Operations

Tourism

County Official/Administrative Officer	\$	61,530	
Part-time Personnel		19,923	
Longevity Pay		1,200	
Other Salaries & Wages		72,254	
Social Security		9,579	
State Retirement		11,298	
Employee and Dependent Insurance		2,351	
Life Insurance		173	
Medical Insurance		12,112	
Dental Insurance		612	
Disability Insurance		690	
Unemployment Compensation		568	
Employer Medicare		2,240	
Advertising		35,444	
Communication		274	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)

Other Operations (Cont.)

Tourism (Cont.)

Dues and Memberships	\$	3,035	
Maintenance Agreements		611	
Maintenance & Repair Services - Vehicles		929	
Postal Charges		3,167	
Printing, Stationery, and Forms		17,548	
Rentals		450	
Travel		8,592	
Other Contracted Services		35,091	
Electricity		184	
Gasoline		1,217	
Office Supplies		1,503	
Periodicals		145	
Other Supplies and Materials		11,434	
Other Charges		8,894	
Furniture and Fixtures		3,114	
Other Equipment		2,271	
Total Tourism			\$ 328,433

Industrial Development

Contributions	\$	150,000	
Other Contracted Services		3,250	
Electricity		924	
Other Charges		110	
Total Industrial Development			154,284

Other Economic and Community Development

Other Contracted Services	\$	2,787	
Other Charges		837	
Total Other Economic and Community Development			3,624

Airport

Contributions	\$	30,000	
Total Airport			30,000

Veterans' Services

Clerical Personnel	\$	26,627	
Part-time Personnel		18,655	
Longevity Pay		750	
Social Security		2,854	
State Retirement		2,291	

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Fund (Cont.)Other Operations (Cont.)Veterans' Services (Cont.)

Employee and Dependent Insurance	\$	784	
Life Insurance		58	
Medical Insurance		4,037	
Dental Insurance		204	
Disability Insurance		137	
Unemployment Compensation		228	
Employer Medicare		667	
Communication		1,979	
Maintenance Agreements		15	
Postal Charges		325	
Travel		228	
Office Supplies		310	
Total Veterans' Services			\$ 60,149

Contributions to Other Agencies

Contributions	\$	110,968	
Total Contributions to Other Agencies			110,968

Employee Benefits

Medical and Dental Services	\$	14,072	
Total Employee Benefits			14,072

Miscellaneous

Other Contracted Services	\$	13,899	
Trustee's Commission		200,330	
Tax Relief Program		58,407	
Total Miscellaneous			272,636

Total General Fund \$ 17,003,228

Special Purpose FundFinanceData Processing

Communication	\$	57,759	
Data Processing Services		5,738	
Maintenance Agreements		30,017	
Maintenance & Repair Services - Equipment		1,068	
Data Processing Supplies		8,010	
Data Processing Equipment		113,133	
Total Data Processing			\$ 215,725

(Continued)

Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Special Purpose Fund (Cont.)

Social, Cultural, and Recreational Services

Parks and Fair Boards

Other Capital Outlay	\$ 79,878	
Total Parks and Fair Boards		\$ 79,878

Other Operations

Contributions to Other Agencies

Contributions	\$ 50,692	
Total Contributions to Other Agencies		50,692

Payments to Cities

Contracts with Government Agencies	\$ 256,932	
Total Payments to Cities		256,932

Miscellaneous

Consultants	\$ 43,793	
Trustee's Commission	20,832	
Motor Vehicles	21,536	
Total Miscellaneous		86,161

Capital Projects

General Administration Projects

Engineering Services	\$ 10,314	
Building Construction	7,321	
Motor Vehicles	295,957	
Other Equipment	284,580	
Other Capital Outlay	329,861	
Total General Administration Projects		928,033

Total Special Purpose Fund		\$ 1,617,421
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Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$ 4,248	
Data Processing Services	5,000	
Confidential Drug Enforcement Payments	6,000	
Maintenance Agreements	446	
Maintenance & Repair Services - Vehicles	1,722	
Postal Charges	48	
Printing, Stationery, and Forms	60	
Rentals	16,800	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Travel	\$	925	
Electricity		3,663	
Gasoline		9,116	
Instructional Supplies and Materials		6,333	
Law Enforcement Supplies		935	
Office Supplies		275	
Tires and Tubes		896	
Uniforms		1,661	
Vehicle Parts		748	
Trustee's Commission		654	
Other Charges		58	
Furniture and Fixtures		30	
Law Enforcement Equipment		<u>2,541</u>	
Total Drug Enforcement			\$ <u>62,159</u>

Total Drug Control Fund \$ 62,159

Adequate Facilities/Development Tax Fund

Capital Projects

General Administration Projects

Architects	\$	10,100	
Engineering Services		4,750	
Building Construction		7,515	
Other Equipment		<u>137,824</u>	
Total General Administration Projects			\$ 160,189

Social, Cultural, and Recreation Projects

Other Capital Outlay	\$	<u>130,386</u>	
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Total Social, Cultural, and Recreation Projects 130,386

Other General Government Projects

Architects	\$	<u>2,074</u>	
Total Other General Government Projects			2,074

Highway & Street Capital Projects

Highway Construction	\$	<u>673,363</u>	
Total Highway & Street Capital Projects			673,363

Education Capital Projects

Engineering Services	\$	<u>239,184</u>	
Total Education Capital Projects			<u>239,184</u>

Total Adequate Facilities/Development Tax Fund 1,205,196

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Constitutional Officers - Fees FundFinanceCounty Clerk's Office

Constitutional Officers' Operating Expenses	\$ 463,682	
Total County Clerk's Office		\$ 463,682

Administration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$ 256,407	
Total Chancery Court		<u>256,407</u>

Total Constitutional Officers - Fees Fund		\$ 720,089
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Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 69,912	
Clerical Personnel	24,521	
Longevity Pay	1,150	
Other Salaries & Wages	40,150	
Social Security	8,404	
State Retirement	11,361	
Employee and Dependent Insurance	2,351	
Life Insurance	173	
Medical Insurance	12,112	
Dental Insurance	612	
Disability Insurance	702	
Unemployment Compensation	210	
Employer Medicare	1,965	
Dues and Memberships	3,338	
Maintenance Agreements	506	
Maintenance & Repair Services - Office Equipment	56	
Postal Charges	312	
Printing, Stationery, and Forms	395	
Travel	1,259	
Office Supplies	1,898	
Other Charges	806	
Furniture and Fixtures	1,208	
Office Equipment	<u>80</u>	
Total Administration		\$ 183,481

Highway and Bridge Maintenance

Foremen	\$ 59,076	
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(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Mechanic(s)	\$	178,074	
Equipment Operators - Heavy		423,554	
Equipment Operators - Light		273,713	
Truck Drivers		369,933	
Laborers		44,641	
Guards		55,586	
Longevity Pay		21,850	
Overtime Pay		14,919	
Other Salaries & Wages		124,355	
Social Security		95,117	
State Retirement		114,478	
Employee and Dependent Insurance		37,929	
Life Insurance		2,806	
Medical Insurance		192,915	
Dental Insurance		9,996	
Disability Insurance		7,555	
Unemployment Compensation		5,995	
Employer Medicare		22,245	
Rentals		4,260	
Permits		5,000	
Other Contracted Services		404	
Asphalt		77,125	
Concrete		18,888	
Crushed Stone		388,778	
Other Road Supplies		12,250	
Pipe		20,807	
Road Signs		17,945	
Salt		2,807	
Wood Products		2,204	
Geotextile Materials		11,111	
Total Highway and Bridge Maintenance			\$ 2,616,316

Operation and Maintenance of Equipment

Communication	\$	2,404
Maintenance Agreements		3,300
Maintenance & Repair Services - Buildings		4,395
Maintenance & Repair Services - Equipment		11,676
Maintenance & Repair Services - Vehicles		22,258
Other Contracted Services		400
Diesel Fuel		340,524

(Continued)

## Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$	105,152	
Garage Supplies		5,678	
Gasoline		35,740	
Lubricants		18,190	
Small Tools		6,058	
Tires and Tubes		56,484	
Vehicle Parts		116,489	
Other Supplies and Materials		19,616	
Right-of-Way		14,654	

Total Operation and Maintenance of Equipment			\$	763,018
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Other Charges

Communication	\$	3,487	
Contributions		20,000	
Laundry Service		14,611	
Pest Control		343	
Disposal Fees		2,635	
Electricity		10,396	
Natural Gas		4,022	
Building and Contents Insurance		1,600	
Liability Insurance		83,251	
Trustee's Commission		61,539	
Vehicle and Equipment Insurance		49,934	
Workers' Compensation Insurance		220,901	
Other Charges		13,547	

Total Other Charges				486,266
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Employee Benefits

Medical and Dental Services	\$	2,322	

Total Employee Benefits				2,322
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Capital Outlay

Bridge Construction	\$	128,604	
Highway Construction		168,225	
Highway Equipment		95,362	
Motor Vehicles		69,761	

Total Capital Outlay				461,952
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(Continued)

Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)

Capital Projects

Highway & Street Capital Projects

Other Capital Outlay	\$ 209,317	
Total Highway & Street Capital Projects		\$ 209,317

Total Highway/Public Works Fund \$ 4,722,672

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 430,758	
Principal on Notes	411,293	
Total General Government		\$ 842,051

Highways and Streets

Principal on Bonds	\$ 338,810	
Principal on Notes	231,965	
Total Highways and Streets		570,775

Education

Principal on Bonds	\$ 2,957,058	
Principal on Notes	403,148	
Principal on Capital Leases	125,000	
Total Education		3,485,206

Interest on Debt

General Government

Interest on Bonds	\$ 285,787	
Interest on Notes	16,392	
Total General Government		302,179

Highways and Streets

Interest on Bonds	\$ 64,282	
Interest on Notes	9,548	
Total Highways and Streets		73,830

Education

Interest on Bonds	\$ 1,592,165	
Interest on Notes	12,418	
Total Education		1,604,583

(Continued)

Exhibit L-9

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types (Cont.)

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Bank Charges	\$ 1,963	
Trustee's Commission	124,170	
Total General Government		\$ 126,133

Total General Debt Service Fund \$ 7,004,757

General Capital Projects Fund

Capital Projects

General Administration Projects

Other Contracted Services	\$ 177,738	
Total General Administration Projects		\$ 177,738

Public Safety Projects

Motor Vehicles	\$ 3,429	
Total Public Safety Projects		3,429

Public Health and Welfare Projects

Architects	\$ 225,615	
Engineering Services	2,700	
Evaluation and Testing	3,250	
Building Construction	533,600	
Site Development	3,808	
Total Public Health and Welfare Projects		768,973

Total General Capital Projects Fund 950,140

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$ 15,990,914	
Underwriter's Discount	46,331	
Other Debt Issuance Charges	94,582	
Total Education Capital Projects		\$ 16,131,827

Total Education Capital Projects Fund 16,131,827

Total Governmental Funds - Primary Government \$ 49,417,489

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department  
For the Year Ended June 30, 2006

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	25,698,039	
Career Ladder Program		401,936	
Career Ladder Extended Contracts		191,300	
Homebound Teachers		60,860	
Educational Assistants		767,509	
Certified Substitute Teachers		114,520	
Non-certified Substitute Teachers		244,900	
Social Security		1,649,322	
State Retirement		1,478,988	
Life Insurance		47,144	
Medical Insurance		3,950,801	
Dental Insurance		153,317	
Employer Medicare		386,967	
Other Contracted Services		2,000	
Instructional Supplies and Materials		333,768	
Textbooks		414,630	
Other Supplies and Materials		6,902	
Fee Waivers		127,485	
Other Charges		751	
Regular Instruction Equipment		42,805	
Total Regular Instruction Program			\$ 36,073,944

Alternative Instruction Program

Teachers	\$	101,272	
Educational Assistants		25,328	
Certified Substitute Teachers		775	
Non-certified Substitute Teachers		100	
Social Security		7,811	
State Retirement		7,690	
Life Insurance		333	
Medical Insurance		16,425	
Dental Insurance		636	
Employer Medicare		1,827	
Total Alternative Instruction Program			162,197

Special Education Program

Teachers	\$	4,007,970	
Career Ladder Program		57,440	
Homebound Teachers		52,085	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Educational Assistants	\$	472,694	
Other Salaries & Wages		39,056	
Certified Substitute Teachers		5,825	
Non-certified Substitute Teachers		18,850	
Social Security		281,137	
State Retirement		263,477	
Life Insurance		11,439	
Medical Insurance		554,055	
Dental Insurance		18,978	
Employer Medicare		65,990	
Contracts with Other Public Agencies		11,700	
Contracts with Private Agencies		112,027	
Maintenance & Repair Services - Equipment		2,016	
Other Contracted Services		49,621	
Instructional Supplies and Materials		49,425	
Other Supplies and Materials		5,015	
Other Charges		373	
Special Education Equipment		23,342	
Total Special Education Program			\$ 6,102,515

Vocational Education Program

Teachers	\$	1,664,598	
Career Ladder Program		16,000	
Certified Substitute Teachers		3,600	
Non-certified Substitute Teachers		11,575	
Social Security		100,749	
State Retirement		92,059	
Life Insurance		3,315	
Medical Insurance		178,275	
Dental Insurance		6,233	
Employer Medicare		23,563	
Maintenance & Repair Services - Equipment		6,515	
Travel		1,000	
Instructional Supplies and Materials		52,292	
Textbooks		7,239	
Other Supplies and Materials		11,496	
Other Charges		1,049	
Vocational Instruction Equipment		23,095	
Total Vocational Education Program			2,202,653

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	71,909	
Career Ladder Program		1,000	
Social Workers		28,281	
Clerical Personnel		100,452	
Other Salaries & Wages		85,081	
Social Security		17,620	
State Retirement		19,914	
Life Insurance		707	
Medical Insurance		39,641	
Dental Insurance		1,406	
Employer Medicare		4,121	
Travel		3,138	
Other Contracted Services		2,025	
Other Supplies and Materials		12,912	
Other Charges		9,093	
Attendance Equipment		3,453	
Total Attendance			\$ 400,753

Health Services

Medical Personnel	\$	169,303	
Social Security		10,231	
State Retirement		10,019	
Life Insurance		417	
Medical Insurance		21,489	
Dental Insurance		544	
Employer Medicare		2,393	
Travel		5,990	
Drugs and Medical Supplies		3,774	
Other Supplies and Materials		263	
Total Health Services			224,423

Other Student Support

Career Ladder Program	\$	14,700	
Guidance Personnel		1,142,407	
Social Security		70,341	
State Retirement		63,641	
Life Insurance		2,083	
Medical Insurance		111,741	
Dental Insurance		4,317	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	16,451	
Evaluation and Testing		15,309	
Other Contracted Services		1,035	
Other Charges		251	
Total Other Student Support			\$ 1,442,276

Regular Instruction Program

Supervisor/Director	\$	303,627	
Career Ladder Program		27,625	
Librarians		881,754	
Education Media Personnel		269,141	
Secretary(ies)		29,520	
Clerical Personnel		28,665	
Educational Assistants		144,965	
Other Salaries & Wages		4,061	
Certified Substitute Teachers		5,275	
Social Security		102,636	
State Retirement		102,055	
Life Insurance		3,540	
Medical Insurance		174,572	
Dental Insurance		5,851	
Employer Medicare		24,004	
Travel		41,340	
Other Contracted Services		137,691	
Library Books/Media		65,343	
Other Supplies and Materials		100,474	
In Service/Staff Development		19,222	
Other Charges		9,230	
Other Equipment		166,566	
Total Regular Instruction Program			2,647,157

Alternative Instruction Program

Supervisor/Director	\$	66,086	
Career Ladder Program		1,000	
Guidance Personnel		18,357	
Clerical Personnel		21,108	
Social Security		6,579	
State Retirement		6,993	
Life Insurance		275	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Alternative Instruction Program (Cont.)

Medical Insurance	\$	18,563	
Dental Insurance		635	
Employer Medicare		1,539	
Travel		990	
Other Supplies and Materials		1,915	
Total Alternative Instruction Program			\$ 144,040

Special Education Program

Supervisor/Director	\$	77,056	
Career Ladder Program		10,000	
Psychological Personnel		296,284	
Assessment Personnel		192,330	
Secretary(ies)		28,840	
Clerical Personnel		11,724	
Other Salaries & Wages		60,687	
Social Security		40,913	
State Retirement		38,275	
Life Insurance		1,141	
Medical Insurance		61,761	
Dental Insurance		1,905	
Employer Medicare		9,568	
Consultants		2,100	
Travel		30,152	
Other Supplies and Materials		13,280	
In Service/Staff Development		9,584	
Other Charges		1,507	
Total Special Education Program			887,107

Vocational Education Program

Supervisor/Director	\$	61,630	
Teachers		5,325	
Career Ladder Program		4,000	
Clerical Personnel		19,630	
Social Security		5,544	
State Retirement		5,486	
Life Insurance		167	
Medical Insurance		11,511	
Dental Insurance		758	
Employer Medicare		1,297	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Travel	\$	11,362	
Other Contracted Services		6,830	
Other Supplies and Materials		6,466	
In Service/Staff Development		8,782	
Other Charges		2,491	
Total Vocational Education Program			\$ 151,279

Board of Education

Secretary to Board	\$	2,663	
Other Salaries & Wages		534	
Board and Committee Members Fees		11,200	
Social Security		892	
State Retirement		247	
Unemployment Compensation		157,994	
Employer Medicare		209	
Other Fringe Benefits		207,053	
Audit Services		20,905	
Dues and Memberships		8,066	
Legal Services		70,033	
Travel		90	
Judgments		3,836	
Liability Insurance		19,735	
Trustee's Commission		567,815	
Workers' Compensation Insurance		351,147	
Criminal Investigation of Applicants - TBI		19,488	
Other Charges		12,021	
Total Board of Education			1,453,928

Director of Schools

County Official/Administrative Officer	\$	101,693	
Secretary(ies)		29,620	
Clerical Personnel		29,140	
Social Security		9,460	
State Retirement		10,511	
Life Insurance		225	
Medical Insurance		11,972	
Dental Insurance		544	
Employer Medicare		2,305	
Communication		1,087	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Dues and Memberships	\$	6,150	
Postal Charges		14,846	
Travel		2,550	
Office Supplies		1,341	
In Service/Staff Development		324	
Other Charges		1,195	
Total Director of Schools			\$ 222,963

Office of the Principal

Principals	\$	1,375,713	
Career Ladder Program		42,047	
Career Ladder Extended Contracts		5,776	
Assistant Principals		820,547	
Secretary(ies)		500,810	
Clerical Personnel		581,904	
Social Security		201,348	
State Retirement		206,322	
Life Insurance		7,330	
Medical Insurance		361,962	
Dental Insurance		13,064	
Employer Medicare		47,187	
Communication		130,439	
Other Contracted Services		47,880	
Office Supplies		17,547	
Total Office of the Principal			4,359,876

Fiscal Services

Supervisor/Director	\$	62,869	
Accountants/Bookkeepers		186,594	
Clerical Personnel		31,900	
Social Security		17,286	
State Retirement		23,345	
Life Insurance		666	
Medical Insurance		37,047	
Dental Insurance		1,361	
Employer Medicare		4,043	
Maintenance & Repair Services - Equipment		1,088	
Travel		4,895	
Other Contracted Services		8,208	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Data Processing Supplies	\$	117	
Office Supplies		11,842	
In Service/Staff Development		1,971	
Other Charges		3,506	
Administration Equipment		6,676	
Total Fiscal Services			\$ 403,414

Operation of Plant

Custodial Personnel	\$	1,283,038	
Social Security		79,191	
State Retirement		77,841	
Life Insurance		6,231	
Medical Insurance		323,721	
Dental Insurance		11,703	
Employer Medicare		18,521	
Rentals		24,183	
Disposal Fees		40,695	
Other Contracted Services		202,997	
Custodial Supplies		66,329	
Electricity		1,784,817	
Natural Gas		756,908	
Water and Sewer		155,100	
Building and Contents Insurance		269,109	
Total Operation of Plant			5,100,384

Maintenance of Plant

Secretary(ies)	\$	18,323	
Maintenance Personnel		519,159	
Social Security		32,561	
State Retirement		43,363	
Life Insurance		1,583	
Medical Insurance		82,127	
Dental Insurance		3,266	
Employer Medicare		7,615	
Communication		4,290	
Laundry Service		7,447	
Maintenance & Repair Services - Buildings		568,444	
Maintenance & Repair Services - Equipment		37,429	
Other Contracted Services		91,118	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

General Construction Materials	\$	1,331	
Other Supplies and Materials		177,923	
Other Charges		309	
Maintenance Equipment		8,369	
Total Maintenance of Plant			\$ 1,604,657

Transportation

Supervisor/Director	\$	38,286	
Bus Drivers		1,052,670	
Clerical Personnel		46,315	
Other Salaries & Wages		197,633	
Social Security		81,985	
State Retirement		87,672	
Life Insurance		9,796	
Medical Insurance		412,307	
Dental Insurance		14,091	
Employer Medicare		19,171	
Other Contracted Services		195,575	
Diesel Fuel		420,676	
Tires and Tubes		71,849	
Vehicle Parts		134,624	
Vehicle and Equipment Insurance		140,871	
Other Charges		26,054	
Transportation Equipment		15,666	
Total Transportation			2,965,241

Central and Other

Supervisor/Director	\$	78,056	
Clerical Personnel		81,460	
Social Security		18,471	
State Retirement		11,111	
Life Insurance		333	
Medical Insurance		13,619	
Dental Insurance		726	
Employer Medicare		4,320	
Other Fringe Benefits		497,054	
Maintenance & Repair Services - Equipment		4,644	
Travel		928	
Office Supplies		4,078	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

In Service/Staff Development	\$	45	
Other Charges		6,026	
Data Processing Equipment		509	
Total Central and Other			\$ 721,380

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	165,226	
Total Regular Capital Outlay			165,226

Interest on Debt

Education

Interest on Notes	\$	51,975	
Total Education			51,975

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	125,000	
Total Education			125,000

Total General Purpose School Fund \$ 67,612,388

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,249,828	
Educational Assistants		184,861	
Certified Substitute Teachers		82,130	
Social Security		92,272	
State Retirement		67,826	
Life Insurance		1,999	
Medical Insurance		125,327	
Dental Insurance		4,438	
Unemployment Compensation		6,300	
Employer Medicare		21,587	
Other Contracted Services		578	
Instructional Supplies and Materials		227,337	
Other Supplies and Materials		6,065	
Regular Instruction Equipment		61,299	
Total Regular Instruction Program			\$ 2,131,847

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	183,602	
Educational Assistants		604,365	
Other Salaries & Wages		109,162	
Certified Substitute Teachers		25,485	
Social Security		56,750	
State Retirement		58,612	
Life Insurance		4,098	
Medical Insurance		165,710	
Dental Insurance		6,865	
Unemployment Compensation		8,446	
Employer Medicare		13,185	
Contracts with Private Agencies		176,581	
Maintenance & Repair Services - Equipment		695	
Other Contracted Services		45,025	
Instructional Supplies and Materials		348,649	
Other Supplies and Materials		132,672	
Special Education Equipment		160,323	
Total Special Education Program			\$ 2,100,225

Vocational Education Program

Instructional Supplies and Materials	\$	130,728	
Vocational Instruction Equipment		66,416	
Total Vocational Education Program			197,144

Support Services

Other Student Support

Evaluation and Testing	\$	385	
Travel		16,312	
Other Contracted Services		1,600	
Other Supplies and Materials		10,943	
In Service/Staff Development		8,375	
Other Charges		1,425	
Total Other Student Support			39,040

Regular Instruction Program

Supervisor/Director	\$	75,803	
Clerical Personnel		4,790	
Other Salaries & Wages		172,875	
Social Security		15,680	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

State Retirement	\$	13,678	
Life Insurance		312	
Medical Insurance		17,395	
Dental Insurance		877	
Unemployment Compensation		476	
Employer Medicare		3,667	
Consultants		29,068	
Travel		11,551	
Library Books/Media		5,575	
Other Supplies and Materials		17,202	
In Service/Staff Development		213,923	
Other Charges		28,559	
Other Equipment		4,488	
Total Regular Instruction Program			\$ 615,919

Special Education Program

Psychological Personnel	\$	86,868	
Clerical Personnel		22,536	
Other Salaries & Wages		51,431	
Social Security		9,908	
State Retirement		9,469	
Life Insurance		242	
Medical Insurance		27,183	
Dental Insurance		544	
Unemployment Compensation		772	
Employer Medicare		2,317	
Consultants		800	
Travel		10,783	
Other Supplies and Materials		9,400	
In Service/Staff Development		43,702	
Other Charges		6,971	
Total Special Education Program			282,926

Transportation

Bus Drivers	\$	114,936	
Other Salaries & Wages		117,389	
Social Security		13,924	
State Retirement		14,214	
Life Insurance		1,745	

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Medical Insurance	\$	92,277	
Dental Insurance		3,016	
Unemployment Compensation		3,036	
Employer Medicare		3,257	
Total Transportation			\$ 363,794

Total School Federal Projects Fund \$ 5,730,895

Central Cafeteria Fund

Support Services

Board of Education

Workers' Compensation Insurance	\$	46,000	
Total Board of Education			\$ 46,000

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	66,268	
Accountants/Bookkeepers		58,440	
Clerical Personnel		28,115	
Cafeteria Personnel		960,597	
Temporary Personnel		33,339	
Longevity Pay		44,600	
Other Salaries & Wages		463,389	
Social Security		101,538	
State Retirement		110,177	
Life Insurance		7,259	
Medical Insurance		381,628	
Dental Insurance		13,623	
Unemployment Compensation		15,169	
Employer Medicare		23,747	
Maintenance & Repair Services - Equipment		60,334	
Travel		7,317	
Other Contracted Services		33,836	
Food Preparation Supplies		190,859	
Food Supplies		1,925,049	
Office Supplies		13,999	
In Service/Staff Development		6,184	
Other Charges		829	
Food Service Equipment		51,322	
Total Food Service			\$ 4,597,618

Total Central Cafeteria Fund 4,643,618

(Continued)

Maury County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Maury County School Department (Cont.)

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$ 170,635	
Maintenance & Repair Services - Equipment	1,652	
Building Construction	16,361,996	
Building Improvements	543,032	
Data Processing Equipment	355,632	
Furniture and Fixtures	336,575	
Heating and Air Conditioning Equipment	46,487	
Right-of-Way	6,300	
Site Development	345,000	
Transportation Equipment	484,351	
Other Capital Outlay	689,807	
Total Education Capital Projects	<u>19,341,467</u>	\$ <u>19,341,467</u>

Total Education Capital Projects Fund \$ 19,341,467

Total Governmental Funds - Maury County School Department \$ 97,328,368

Exhibit L-11

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Central Maintenance/Garage Fund (Proprietary Fund)  
For the Year Ended June 30, 2006

	Governmental Activities - Internal Service Fund <hr/> Central Maintenance/ Garage Fund <hr/>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other General Service Charges	\$ 1,682,855
Total Charges for Current Services	<u>\$ 1,682,855</u>
 <u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Materials and Supplies	\$ 1,514
Total Other Local Revenues	<u>\$ 1,514</u>
 Total Revenues	 <u><u>\$ 1,684,369</u></u>
 <u>Expenses</u>	
<u>General Administration</u>	
<u>Other General Administration</u>	
County Official/Administrative Office	\$ 57,348
Mechanic(s)	197,111
Clerical Personnel	36,982
Longevity Pay	5,150
Overtime	1,682
Social Security	17,828
State Retirement	24,965
Employee and Dependent Insurance	6,230
Life Insurance	461
Medical Insurance	32,300
Dental Insurance	1,632
Disability Insurance	1,529
Unemployment Compensation	840
Employer Medicare	4,169
Communication	1,634
Laundry Service	4,238
Maintenance Agreements	3,157
Maintenance & Repair Services - Building	1,316
Maintenance & Repair Services - Equipment	479

(Continued)

Exhibit L-11

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Central Maintenance/Garage Fund (Proprietary Fund) (Cont.)

	Governmental Activities - Internal <u>Service Fund</u> Central Maintenance/ Garage Fund
<u>Expenses (Cont.)</u>	
<u>General Administration (Cont.)</u>	
<u>Other General Administration (Cont.)</u>	
Maintenance & Repair Services - Office Equipment	\$ 178
Postal Charges	158
Disposal Fees	396
Other Contracted Services	50,314
Custodial Supplies	553
Diesel Fuel	673,314
Electricity	19,753
Equipment and Machinery Parts	177,821
Garage Supplies	980
Gasoline	294,448
Lubricants	9,969
Natural Gas	14,822
Office Supplies	780
Small Tools	1,163
Tires and Tubes	74,633
Depreciation	4,828
	<hr/>
Total Expenses	\$ <u>1,723,161</u>

Exhibit L-12

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Employee Insurance - Prescriptions Fund (Proprietary Fund)  
For the Year Ended June 30, 2006

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance - Prescriptions Fund</u>
<u>Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Other Employee Benefit Charges/Contributions	\$ 256,715
Total Revenues	<u>\$ 256,715</u>
<u>Expenses</u>	
<u>Other Operations</u>	
<u>Employee Benefits</u>	
Other Self-Insured Claims	\$ 271,660
Total Expenses	<u>\$ 271,660</u>

Exhibit L-13

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund (Proprietary Fund)  
For the Year Ended June 30, 2006

	Business-type Activities - Enterprise Fund <hr/> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
<u>General Service Charges</u>	
Tipping Fees	\$ 859,001
Solid Waste Disposal Fee	18,525
Other General Service Charges	<u>166,691</u>
Total Charges for Current Services	<u>\$ 1,044,217</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 125,079
Total Operating Revenues	<u>\$ 1,169,296</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
<u>County Property Taxes</u>	
Current Property Tax	\$ 6,127
Trustee's Collections - Prior Year	103,095
Trustee's Collections - Bankruptcy	23
Circuit/Clerk & Master Collections - Prior Years	27,314
Interest and Penalty	6,242
Pick-up Taxes	7,209
<u>Other Local Revenues</u>	
<u>Nonrecurring Items</u>	
Damages Recovered from Individuals	64
Other Local Revenues	6,466
<u>State of Tennessee</u>	
<u>General Government Grants</u>	
Solid Waste Grants	62,169
<u>Public Works Grants</u>	
Litter Program	<u>46,229</u>
Total Nonoperating Revenues	<u>\$ 264,938</u>
Total Revenues	<u><u>\$ 1,434,234</u></u>

(Continued)

Exhibit L-13

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund (Proprietary Fund) (Cont.)

	Business-type Activities - Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Foremen	\$ 26,270
Longevity Pay	250
Social Security	1,644
Life Insurance	34
Unemployment Compensation	105
Employer Medicare	385
Contributions	6,000
Vehicle Parts	60
Other Supplies and Materials	226
Vehicle and Equipment Insurance	876
Workers' Compensation Insurance	2,501
Total Waste Pickup	<u>\$ 38,351</u>
 <u>Convenience Centers</u>	
Equipment Operators	\$ 161,120
Laborers	270,418
Longevity Pay	3,200
Overtime Pay	6,472
Social Security	26,638
State Retirement	15,748
Employee and Dependent Insurance	4,545
Life Insurance	331
Medical Insurance	22,911
Dental Insurance	1,165
Disability Insurance	926
Unemployment Compensation	3,534
Employer Medicare	6,230
Communication	8,240
Laundry Service	405
Maintenance & Repair Services - Equipment	8,722
Maintenance & Repair Services - Vehicles	2,653
Pest Control	575
Postal Charges	464
Other Contracted Services	15,992

(Continued)

Exhibit L-13

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund (Proprietary Fund) (Cont.)

	Business-type Activities - <hr/> Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Convenience Centers (Cont.)</u>	
Diesel Fuel	\$ 48,117
Electricity	10,565
Equipment and Machinery Parts	18,074
Gasoline	5,605
Lubricants	730
Tires and Tubes	10,477
Vehicle Parts	3,709
Other Supplies and Materials	9,699
Depreciation	13,236
Total Convenience Centers	<hr/> \$ 680,501 <hr/>
 <u>Landfill Operation and Maintenance</u>	
County Official/Administrative Officer	\$ 52,026
Equipment Operators	67,101
Laborers	75,197
Clerical Personnel	57,276
Longevity Pay	4,700
Overtime	230
Social Security	15,680
State Retirement	19,888
Employee and Dependent Insurance	5,485
Life Insurance	408
Medical Insurance	28,661
Dental Insurance	1,445
Disability Insurance	1,199
Unemployment Compensation	845
Employer Medicare	3,667
Communication	3,910
Dues and Memberships	100
Laundry Service	5,462
Licenses	6,147
Maintenance Agreements	873

(Continued)

Exhibit L-13

Maury County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Solid Waste Disposal Fund (Proprietary Fund) (Cont.)

	Business-type Activities - Enterprise Fund <hr/> Solid Waste <hr/> Disposal Fund
<u>Expenses (Cont.)</u>	
<u>Operating Expenses (Cont.)</u>	
<u>Landfill Operation and Maintenance (Cont.)</u>	
Maintenance & Repair Services - Buildings	\$ 2,066
Maintenance & Repair Services - Equipment	5,131
Maintenance & Repair Services - Vehicles	3,073
Medical and Dental Services	1,187
Pest Control	918
Postal Charges	333
Printing, Stationery, and Forms	428
Rentals	53
Travel	1,130
Disposal Fees	1,008,824
Other Contracted Services	31,277
Crushed Stone	536
Custodial Supplies	181
Data Processing Supplies	682
Diesel Fuel	20,714
Electricity	29,492
Equipment and Machinery Parts	29,036
Gasoline	3,731
Lubricants	768
Natural Gas	15,391
Office Supplies	616
Tires and Tubes	5,829
Vehicle Parts	3,496
Other Supplies and Materials	9,555
Building and Contents Insurance	3,000
Liability Insurance	26,896
Trustee's Commission	38,341
Vehicle and Equipment Insurance	18,397
Workers' Compensation Insurance	57,454
Depreciation	134,106
Office Charges	4,056
Total Landfill Operation and Maintenance	<hr/> \$ 1,806,997
Total Operating Expenses	<hr/> \$ 2,525,849
Total Expenses	<hr/> <hr/> \$ 2,525,849

Exhibit L-14

Maury County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2006

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 8,036,399
Total Cash Receipts	<u>\$ 8,036,399</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 7,956,035
Trustee's Commission	<u>80,364</u>
Total Cash Disbursements	<u>\$ 8,036,399</u>
 Excess of Cash Receipts Over (Under) Cash Disbursements	 \$ 0
Cash Balance, July 1, 2005	<u>0</u>
 Cash Balance, June 30, 2006	 <u><u>\$ 0</u></u>

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# **SINGLE AUDIT SECTION**

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STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

March 6, 2007

Maury County Mayor and  
Board of County Commissioners  
Maury County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2006, which collectively comprise Maury County's basic financial statements and have issued our report thereon dated March 6, 2007. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Maury County Emergency Communications District, a discretely presented component unit, which was not available from other auditors as of the date of this report. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Maury County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to

significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Maury County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 06.01, 06.02, 06.03(B), 06.05, and 06.09.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider none to be a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Maury County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 06.03(A), 06.04, 06.06, 06.07, and 06.08.

We also noted certain other matters that we reported to the management of Maury County in separate communications.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



John G. Morgan  
Comptroller of the Treasury

JGM/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

March 6, 2007

Maury County Mayor and  
Board of County Commissioners  
Maury County, Tennessee

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Maury County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2006. Maury County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Maury County's management. Our responsibility is to express an opinion on Maury County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Maury County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Maury County's compliance with those requirements.

In our opinion, Maury County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

#### Internal Control Over Compliance

The management of Maury County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Maury County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

#### Schedule of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Maury County, Tennessee, as of and for the year ended June 30, 2006, and have issued our report thereon dated March 6, 2007. Our report on the aggregate discretely presented component units was qualified due to not including the financial statements of the Maury County Emergency Communications District, a discretely presented component unit, which was not available from other auditors as of the date of this report. Our audit was performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Grants is presented for purposes of additional analysis, as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "John G. Morgan" with a long horizontal flourish extending to the right.

John G. Morgan  
Comptroller of the Treasury

JGM/yu

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

For the Maury Regional Hospital

Board of Trustees  
Maury Regional Hospital  
Columbia, Tennessee

We have audited the financial statements of the Maury Regional Hospital as of and for the year ended June 30, 2006, and have issued our report thereon. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the hospital's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the hospital's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items R-05-1 and R-06-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions referred to above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the hospital's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Trustees, management, and the Comptroller of the Treasury, Department of Audit of the State of Tennessee, and is not intended to be and should not be used by anyone other than these specified parties.

**Maury Regional Hospital  
Schedule of Findings  
Year Ended June 30, 2006**

**FINDINGS RELATING TO THE FINANCIAL STATEMENT AUDIT AS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS**

Reportable Conditions in Internal Control

CURRENT-YEAR FINDINGS

(R-05-1) The contractual discounts and allowances related to third party reimbursements were understated for the current and prior years. In order to correctly state the contractual discounts and allowances, both the expected discount from gross revenue and the estimated contractual allowance related to accounts receivable should be determined.

RECOMMENDATION

We recommend that the expected discount from gross revenue and the estimated contractual allowance related to accounts receivable be determined on a regular basis at least monthly and that a member of management approve both calculations.

MANAGEMENT'S RESPONSE

On a monthly basis, the associate director of finance prepares an analysis of Medicare, TennCare, and Blue Cross contractual allowance expenses recognized compared to the expected reimbursement from current-year gross revenues for each of these financial classes. The expected reimbursement percentages are updated on a monthly basis from actual claims paid. The associate director of finance also prepares an analysis of unrecorded contractual allowances on a monthly basis which provides a balance sheet approach to reviewing the adequacy of contractual reserves, as well as bad debt reserves as they relate to accounts receivable. Both the controller and chief financial officer review these analyses each month and discuss as a group during monthly financial review.

(R-06-1) Certain accounts receivable are not being reconciled to supporting detail on a regular basis causing the balances to be overstated for prior years.

RECOMMENDATION

We recommend that all accounts receivable be reconciled to supporting detail on a regular basis, and that the reconciliation be approved by a member of management.

MANAGEMENT'S RESPONSE

On a monthly basis, the associate director of finance and the controller will review and reconcile all detailed accounts receivable information to ensure accurate presentation on Maury Regional Hospital's financial statements. Additionally, this information is reviewed by the chief financial officer and discussed as a group during the monthly financial review.

OTHER AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

For the Maury County Board of Public Utilities Water System

Maury County Board of Public Utilities Water System  
Maury County, Tennessee

We have audited the financial statements of the Maury County Board of Public Utilities Water System, a discrete component unit of Maury County, Tennessee, as of and for the year ended June 30, 2006, and have issued our report thereon. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the system's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the system's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Board of Directors, management, the Maury County Commission, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maury County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2006

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Watershed Surveys and Planning	10.904	N/A	\$ 285,224
Passed-through State Department of Agriculture:			
Food Distribution (Noncash Assistance)	10.550	N/A	227,471
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	456,001
National School Lunch Program	10.555	N/A	1,736,523
Summer Food Service Program for Children	10.559	N/A	6,123
Total U.S. Department of Agriculture			<u>\$ 2,711,342</u>
U.S. Department of Justice:			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	N/A	\$ 1,069
Bulletproof Vest Partnership Program	16.607	N/A	2,786
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	Z-06-002624-00	6,381
Total U.S. Department of Justice			<u>\$ 10,236</u>
U.S. Department of Labor:			
Passed-through State Department of Education:			
WIA Incentive Grants - Section 503 Grants to States	17.267	(2)	\$ 28,542
Total U.S. Department of Labor			<u>\$ 28,542</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z-05-024073-00	\$ 7,724
Highway Planning and Construction	20.205	STP-EN-6000 (23)	208,065
Total U.S. Department of Transportation			<u>\$ 215,789</u>
U.S. Department of Education:			
Direct Program:			
Safe and Drug-Free Schools and Communities - National Program	84.184	N/A	\$ 76,499
Passed-through State Department of Education:			
Title 1 Grant to Local Educational Agencies	84.010	N/A	2,072,896
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,806,925
Special Education - Preschool Grants	84.173	N/A	95,562
Vocational Education - Basic Grants to States	84.048	N/A	224,030
Safe and Drug - Free Schools and Communities - State Grants	84.186	(2)	79,929
State Grants for Innovative Programs	84.298	N/A	89,920
Education Technology State Grants	84.318	(3)	93,849
Reading First State Grants	84.357	(2)	233,084
English Language Acquisition Grants	84.365	N/A	47,991
Improving Teacher Quality State Grants	84.367	N/A	497,687
Hurricane Education Recovery Act	84.938	(2)	100,732
Total U.S. Department of Education			<u>\$ 6,419,104</u>
U.S. Department of Health:			
Passed-through State Department of Health:			
Bio-terrorism Hospital Preparedness	93.003	(4)	\$ 162,251

(Continued)

Maury County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Cluster:			
State Domestic Preparedness Equipment Support Program	97.004	(5)	\$ 113,783
Homeland Security Grant Program	97.067	Z-05-025187-00	41,922
Total U.S. Department of Homeland Security			<u>\$ 155,705</u>
Total Expenditures of Federal Awards			<u>\$ 9,702,969</u>
<u>State Grants</u>			
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 22,629
Health Department Program - State Department of Health	N/A	Z-06-025966-01	474,444
Recreation Trail Program Grant - State Department of Environment and Conservation	N/A	Z-05-023547-00	50,000
Safe Schools Act 1998 - State Department of Education	N/A	(2)	65,398
Jobs for Tennessee Graduates - State Department of Education	N/A	(2)	25,000
Early Childhood Education - State Department of Education	N/A	Z-04-018357-00	171,287
Family Resource Center - State Department of Education	N/A	Z-04-017588-00	99,900
Litter Program - State Department of Transportation	N/A	Z-05-021529-00	743
Litter Program - State Department of Transportation	N/A	Z-06-027990-00	45,486
Optional Safety Grant - State Department of Transportation	N/A	(2)	30,000
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	62,169
Juvenile Justice and Delinquent Prevention - State Commission on Children and Youth	N/A	Z-06-002624-00	9,954
Total State Grants			<u>\$ 1,057,010</u>

CFDA - Catalog of Federal Domestic Assistance  
N/A - Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Z-04-020583-00: \$60,152; (2): \$33,697.
- (4) Z-04-019587-01: \$1,929; Z-05-023965-01: \$100,200; Z-05-023980-00: \$29,388; Z-05-023930-00: \$1,173;  
Z-06-029073-00: \$21,539; Z-06-029058-00: \$8,022.
- (5) Z-03-017779-01: \$27,521; Z-04-020124-00: \$15,599; Z-04-022472-01: \$70,663.

Maury County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2006

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Maury County, Tennessee, for the year ended June 30, 2005, which have not been corrected.

**OFFICE OF ACCOUNTS AND BUDGETS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
05.01(A)	238	The Transfer Station had administrative weaknesses
05.02	239	The office paid several invoices without documentation of the receipt of the goods purchased or services received
05.05	241	Contributions to the Maury County Rural Fire Department had not been made in compliance with state statute

**OFFICE OF DIRECTOR OF SCHOOLS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
05.13(B)	248	The office had purchasing deficiencies

**OFFICE OF TRUSTEE**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
05.17	251	The trustee paid checks that exceeded available funds

**OTHER FINDING**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
05.21	253	Duties were not segregated adequately at the Transfer Station, Archives, and Memorial Building Offices

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**MAURY COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2006**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Maury County disclosed reportable conditions in internal control. None of these conditions was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Maury County.
4. The audit disclosed no reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. Title I Grants to Local Educational Agencies (CFDA No. 84.010), the Special Education Cluster: the Special Education – Grants to States and the Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and the Improving Teacher Quality State Grants (CFDA No. 97.367) were determined to be major programs.
8. A threshold of \$300,000 was used to distinguish between Type A and Type B federal programs.
9. Maury County did not qualify as a low-risk auditee.

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the director of accounts and budgets, director of schools, and road superintendent are quoted in this report. Other officials offered oral responses to certain findings and recommendations; however, these oral responses have not been included in this report.

### **OFFICE OF DIRECTOR OF ACCOUNTS AND BUDGETS**

**FINDING 06.01      **THE TRANSFER STATION'S COMPUTERIZED ACCOUNTING SYSTEM HAD INTERNAL CONTROL WEAKNESSES****  
(Internal Control – Reportable Condition Under Government Auditing Standards)

The Transfer Station employee responsible for billings, collections, posting payments and adjustments, and depositing had the capability of changing records in the computerized accounting system.

#### **RECOMMENDATION**

Management should contact the Transfer Station's software vendor and request that the ability to change computer records be prevented or, at a minimum, an audit log of changes be generated.

#### **MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS (DIRECT QUOTE)**

We have purchased new software and are working with the software vendor to establish controls so that no one can change the accounting records without going through the proper procedures and leaving an acceptable audit trail.

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**FINDING 06.02      **THE OFFICE PAID SEVERAL INVOICES WITHOUT DOCUMENTATION OF THE RECEIPT OF THE GOODS PURCHASED OR SERVICES RENDERED****  
(Internal Control – Reportable Condition Under Government Auditing Standards)

In several instances, invoices were paid without documentation that goods had been received and/or services had been rendered. This practice weakens controls over the purchasing process. We extended our audit procedures and determined that these goods were received and services were rendered.

## RECOMMENDATION

To strengthen internal controls over the purchasing process, documentation should be obtained indicating that goods have been received and/or services have been rendered before invoices are paid.

## MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS (DIRECT QUOTE)

This finding was first brought to our attention after the fiscal year 2005-06 was well underway. We implemented policies to make sure that all invoices are signed as to receipt of goods or services by the department head before the invoice is submitted for payment.

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### FINDING 06.03      **CONTRIBUTIONS TO THE MAURY COUNTY RURAL FIRE DEPARTMENT HAD NOT BEEN MADE IN COMPLIANCE WITH STATE STATUTE** (A. Noncompliance Under Government Auditing Standards; B. Internal Control – Reportable Condition Under Government Auditing Standards)

Our review of contributions to the Maury County Rural Fire Department (MCRFD) noted the following deficiencies:

- A. Maury County is authorized by Section 5-9-101(23), Tennessee Code Annotated, to appropriate moneys to nonprofit volunteer fire departments; and during the year, the county contributed \$65,500 to the MCRFD. However, county officials advised that the MCRFD had not been recognized by the Internal Revenue Service as a tax exempt nonprofit organization.
- B. The contributions to the volunteer fire department were charged to the General Fund's Civil Defense major appropriation category which does not accurately describe the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

## RECOMMENDATION

Maury County should verify that a fire department representing itself as a nonprofit meets the definition of a nonprofit volunteer fire department prior to appropriating funds. Expenditures should be coded to the accounts that most appropriately reflect the true nature of the transactions.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS (DIRECT QUOTE)

The MCRFD is undergoing a major upgrade that includes completing the necessary requirements to become a 501(C)(3). The paperwork is currently being reviewed by an attorney and we expect this situation to be corrected by the end of fiscal year 2006-07.

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FINDING 06.04      **COMPETITIVE BIDS WERE NOT SOLICITED FOR TRUCK BEDS**  
(Noncompliance Under Government Auditing Standards)

Competitive bids were not solicited for the purchase of truck beds for the Road Department (\$38,800). Purchasing procedures for the Road Department are governed by provisions of Section 5-14-101, et seq., Tennessee Code Annotated (TCA), and by the Uniform Road Law, Section 54-7-113, TCA. These statutes require that sealed bids be solicited on purchases exceeding \$10,000 for the Road Department.

RECOMMENDATION

Competitive bids should be solicited for all purchases exceeding \$10,000 as required by state statutes.

MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS (DIRECT QUOTE)

This finding was dealt with by the Budget Department when it occurred, and the Road Superintendent was notified as to proper procedure for purchases.

MANAGEMENT'S RESPONSE – ROAD SUPERINTENDENT (DIRECT QUOTE)

I made the decision to purchase four dump bodies at \$9,700 each after considering the following facts. We were able to use the original truck sub-frame, hydraulic hookups, tarp arm, and other miscellaneous parts. Rogers Manufacturing Co. was able to build the dump bodies to original specs after we supplied the serial numbers and model numbers of the trucks. All four trucks were able to continue with no down time during the building process of the dump bed. When beds were complete, they set up convenient installation dates to bring a truck in. Within one day installation was complete, letting us bring another truck when we picked up the completed truck. In our fleet of eighteen dump trucks, they all had Rogers Manufacturing dump beds when purchased. Keeping with Rogers' dump bodies meant spare inventory parts would not have to be increased. The possibility of purchasing different types or size tools to maintain a dump bed with different specs was an issue. Our department did not try to hide this purchase from your auditors. We are confident we made the right decision.

## REBUTTAL

Purchases exceeding \$10,000 should be made by public advertisement and competitive bids. Purchases should be made from the vendor with the lowest price that meets bid specifications unless adequate documentation is on file supporting the decision to reject the lowest bid.

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## OFFICE OF DIRECTOR OF SCHOOLS

**FINDING 06.05      THE OFFICE PAID SEVERAL INVOICES WITHOUT DOCUMENTATION OF THE RECEIPT OF THE GOODS PURCHASED OR SERVICES RENDERED**  
(Internal Control – Reportable Condition Under Government Auditing Standards)

In several instances, invoices were paid without documentation that goods had been received and/or services had been rendered. This practice weakens controls over the purchasing process. We extended our audit procedures and determined that these goods were received and services were rendered.

## RECOMMENDATION

To strengthen internal controls over the purchasing process, documentation should be obtained indicating that goods have been received and/or services have been rendered before invoices are paid.

## MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS (DIRECT QUOTE)

We concur with the finding. The Business and Finance Office had already developed procedures to obtain documentation that goods have been received or services have been rendered before invoices are paid and will continue to improve the procedures for documenting the receiving of goods and services.

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## OFFICE OF ROAD SUPERINTENDENT

**FINDING 06.06      A COUNTY ROAD LIST WAS NOT SUBMITTED TO THE COUNTY COMMISSION FOR APPROVAL**  
(Noncompliance Under Government Auditing Standards)

The road superintendent did not prepare and submit a list of county roads to the County Commission as required by state statute. Section 54-10-103, Tennessee Code Annotated, requires the road superintendent to submit a list of county roads to the County Commission for its approval at the January session each year. This list must include the classification,

width and distance of each county-maintained road, and a summary of changes from the prior year that provides the road name, date the change was approved by the County Commission, and the reason for the change. Highway Department officials need a current approved list of county roads to determine which roads the department is authorized to work.

### RECOMMENDATION

The road superintendent should submit to the County Commission a list of county roads that includes the classification, width and distance of each road, and a summary of changes as required by state statute.

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### OFFICE OF TRUSTEE

FINDING 06.07      **THE TRUSTEE PAID CHECKS THAT EXCEEDED AVAILABLE FUNDS**  
(Noncompliance Under Government Auditing Standards)

The trustee paid checks for the General Purpose School and the School Federal Projects Funds that exceeded the available cash balances on deposit in these funds. Section 8-11-104(5), Tennessee Code Annotated, prohibits the trustee from paying a check if sufficient funds are not available.

### RECOMMENDATION

The trustee should not pay checks that exceed available cash as required by state statute.

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### OFFICE OF SHERIFF

FINDING 06.08      **THE SHERIFF DID NOT PREPARE AN ANNUAL FINANCIAL REPORT**  
(Noncompliance Under Government Auditing Standards)

The sheriff did not prepare an annual financial report. Section 5-8-505, Tennessee Code Annotated, states, "All appointive or elective county public officials, official county boards, committees and commissions ... having in their charge and custody public funds or moneys are required to file with the county executive and with the county clerk ... an annual financial report ..."

### RECOMMENDATION

The office should prepare an annual financial report as required by state statute.

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## **OTHER FINDING AND RECOMMENDATION**

**FINDING 06.09**      **DUTIES WERE NOT SEGREGATED ADEQUATELY AMONG EMPLOYEES AT THE TRANSFER STATION, ARCHIVES, AND MEMORIAL BUILDING OFFICES**  
(Internal Control – Reportable Condition Under Government Auditing Standards)

Duties were not segregated adequately among employees at the Transfer Station, Archives, and Memorial Building Offices. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds.

### **RECOMMENDATION**

To strengthen internal controls over operations and automated accounting functions, officials should segregate duties adequately among employees.

### **MANAGEMENT'S RESPONSE – DIRECTOR OF ACCOUNTS AND BUDGETS (DIRECT QUOTE)**

A program is currently being implemented to segregate the duties of the employees at the Transfer Station. The employee maintaining the accounting records will be responsible for sending disbursements to the Budget Office for processing but will no longer be receipting or depositing funds. Due to the limited number of personnel at the Archives and the Memorial Building, we concur with the finding but do not consider the cost of hiring additional personnel to be possible.

**PART III, FINDINGS AND QUESTIONED  
COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs for federal awards.

**MAURY COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2006**

There were no audit findings relative to federal awards presented in the current year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the prior year's Schedule of Findings and Questioned Costs.

**Summary Schedule of Prior Year Audit Findings**

**FINDINGS 05.07 and 05.22**

Findings were corrected during 2005-06 year. Projects were closely monitored for compliance with the Davis-Bacon Act.

**FINDINGS 05.10 and 05.23**

Findings were corrected during the 2005-06 year. Cash management of the School Federal Projects Fund was closely monitored.